

## The Big Sweat Over Interest Rates

Europeans, in a Bind,  
Look to Bundesbank

By Joseph Fitchett  
International Herald Tribune

PARIS — The meeting Thursday of Germany's Bundesbank central council is attracting intense interest from politicians, government officials and bankers across Europe. They are looking for the most powerful central bank in Europe to ease interest rates, a move that would give European economies more room to maneuver in trying to cut deficits and revive growth.

Meetings of the Bundesbank council are always closely watched by financial markets, but this time the stakes are sharply higher, officials said Tuesday.

In France, the government faces "an ominous autumn because nothing really positive has turned up to change expectations since the social turmoil last year," an official in Paris said.

While Germany and other European countries have eluded strikes on the scale that paralyzed France last winter, their economies in most cases have continued stagnating amid mounting joblessness.

As a result, doubts are growing about whether France, Germany's indispensable but wobbly partner in hopes for a European single currency, can sustain the political costs required to stay on course for meeting the launching criteria

In U.S., Fed's Inaction  
Lets White House Relax

By Brian Knowlton  
International Herald Tribune

WASHINGTON — U.S. central bank officials left short-term interest rates unchanged Tuesday at a policy-making session here, following signs that American economic growth is slowing from its exuberant pace in the second quarter and that inflation remains under control.

Financial markets had anticipated the decision by the Federal Reserve Board's policy-setting Open Market Committee. Stocks rose in afternoon trading, while the dollar and bond prices were little changed. (Page 12)

The committee's inaction left the federal funds rate, which is what banks charge each other on overnight loans, at 5.25 percent. That is essentially the floor for U.S. interest rates.

A rise in rates would have been unpleasant news to the White House, driving up the costs of borrowing and possibly dampening economic growth before the presidential elections Nov. 5.

President Bill Clinton's advisers have been counting on a continuation of the noninflationary growth of recent months. The president's Republican opponent, Bob Dole, has accused the administration of fostering unduly anemic growth.

Growth was anything but anemic in the second quarter, bubbling along at a vigorous 4.2 percent rate and raising fears of inflation.

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## Are Lobbyists Writing the Script?

Special-Interest Groups Grab Leading Roles in U.S. House Elections

By Robin Toner  
New York Times Service

NEW YORK — At first glance, the battle for control of the House this year is between the Democrats and the Republicans. In reality, it is a far more complicated struggle between the AFL-CIO and the U.S. Chamber of Commerce, the League of Conservation Voters and the National Federation of Independent Business, the National Abortion and Reproductive Rights Action League and the Christian Coalition.

Never before, some analysts say, have so many interest groups become so involved in so many House races.

The AFL-CIO's advertising campaign, which has rattled Republicans from coast to coast, has captured most of the attention so far. But many other interest groups are, essentially, running their own campaigns this year: picking congressional districts where

they think they can make a difference, framing their own agendas, running their own advertisements. It is very different from the old style of interest-group politics, which largely consisted of handing out endorsements and political contributions to favored candidates.

The new model is based on 1994.

The Greens pick Ralph Nader as their presidential hopeful. Page 3.

when the Republicans gained control of the House for the first time in 40 years with the help of aggressive conservative organizations like the Christian Coalition and the National Rifle Association. This year, when a shift of just 20 seats can restore the House to Democratic control, many liberal groups have vowed that they will not be out-muscled again.

The political action committee of the

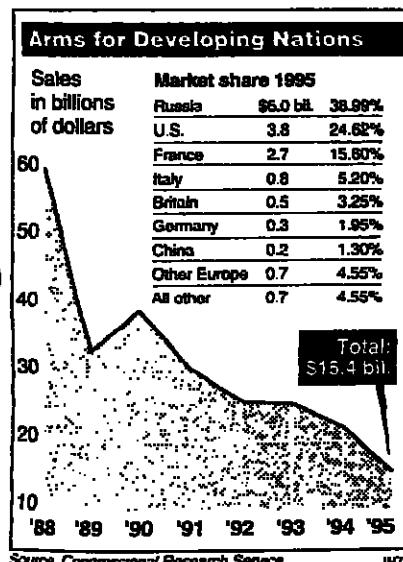
League of Conservation Voters, for example, plans a no-holds-barred "independent expenditure" campaign against 12 members of the House and Senate whom it calls "the dirty dozen." The Sierra Club is planning to distribute "voter guides" on candidates' environmental records in up to 30 races, and the National Abortion and Reproductive Rights Action League is focusing on 15 Republican freshmen with anti-abortion voting records.

Conservative and business-oriented groups, of course, have hardly ceded the field. The Christian Coalition, which was recently accused by the Federal Election Commission of conducting electioneering activity under the guise of education, is planning to distribute 50 million "voter guides" this fall.

The U.S. Chamber of Commerce has organized a business coalition to

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## Russia Now World's Main Arms Seller



By Philip Shenon  
New York Times Service

WASHINGTON — Russia, eager to bolster its economy with the hard currency it earns from the sale of everything from bullets to jet fighters, surpassed the United States and France last year as the largest arms seller to the developing world, according to a new congressional report.

The report by the Congressional Research Service calculated that Russian arms sales to developing nations rebounded from a slump that set in after the collapse of the Soviet Union in 1991, growing by 62 percent last year to \$6 billion from \$3.7 billion in 1994. Its most important buyer was China.

"Russia has made significant efforts to gain arms agreements with developing nations that can pay cash for their

purchases," the report said. "With Russia now having an emerging market economy, domestic defense industries also have greater freedom to promote the sale of their weaponry."

Russian arms merchants had a banner year even as the overall market for arms in the developing world continued to shrink, falling to \$15.4 billion last year.

According to the annual study by the research service, an arm of Congress, sales by U.S. defense contractors to developing nations fell from \$6.3 billion in 1994 to \$3.8 billion last year, which left the United States in second place among the world's arms merchants.

French sales to the developing world dropped to \$2.7 billion last year from \$3.9 billion in 1994, pushing France to

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Police officers keeping a watchful eye on students who were arrested after the police stormed Yonsei University on Tuesday in Seoul.

## Police Storm Campus, Ending Seoul Protests

Troops Arrest 3,225 Who Seek Reunification

Compiled by Our Staff From Dispatches

SEOUL — South Korean riot police, backed by helicopters and assault troops, stormed a Seoul campus on Tuesday to end a nine-day occupation by thousands of students demanding reunification with North Korea.

The police smashed through a bonfire of wooden desks and chairs engulfing the main entrance of a teaching complex, and flushed out about 1,800 students, most of them women.

Hours later, about 2,000 other students, holed up in a nearby science complex, fled into alleys and hills surrounding the Yonsei University campus where they were being hunted down. The protesters were exhausted after getting little food, water or sleep during a four-day police siege.

In all, 3,225 students were arrested, bringing the total held in a week of pro-Pyongyang agitation at Yonsei to around 5,500. More than 1,000 police and students were injured during the standoff, officials said.

President Kim Young Sam has blamed the country's hard-line education system for the student unrest and said the system must be reformed. But academics have accused Mr. Kim of playing to the country's conservatives ahead of presidential elections next year in the harshness of the crackdown against the annual protests.

The protests were led by undergraduates calling for unity with North Korea on Pyongyang's terms that would leave the governments of both

North and South intact. They also seek the withdrawal of U.S. troops.

Heroes of the battle for democracy in the late 1980s, when the middle classes rallied behind them, the radical students have now alienated ordinary citizens by embracing Pyongyang's blueprint for a single Korea.

"Students calling for reunification is fine, but their method is too violent and extreme," said Kim Ho Jin, a professor at Korea University. "The

The students had a litany of familiar demands. Page 4.

government also is to blame as they cracked down too harshly."

North Korea did not help the students when it broadcast statements in their support, and called for an uprising against the Seoul government.

Elderly South Koreans still remember the Korean War, and analysts say that is part of the reason why students have not been able to get support from the public.

Mr. Kim of Korea University said: "In the past, students fought for democracy calling for the end of the militant government, which the public supported. But reunification is another matter, as many have been through the war."

Another academic, with links to the main opposition National Congress for New Politics, placed the blame for

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## FBI to Open More Offices Abroad to Fight Terror

23 New Cities Listed  
In Bid to Step Up War  
On Crime and Drugs

By R. Jeffrey Smith  
and Thomas W. Lippman  
Washington Post Service

WASHINGTON — Law enforcement specialists at the Federal Bureau of Investigation are planning a doubling of FBI presence abroad during the next four years, opening offices in 23 foreign cities to cope with what they warn is a dramatic expansion of international terrorism, organized crime and narcotics trafficking affecting U.S. citizens.

The plan, which has stirred scattered criticism in the State Department, the Central Intelligence Agency and Congress, is meant to increase from 23 to 46 the number of foreign cities where the FBI has a permanent presence, including places like Almaty, Kazakhstan, and Lima, Peru.

It would raise from 70 to 129 the total of FBI special agents based abroad, where they work out of U.S. embassies with foreign law enforcement agencies on criminal matters involving or targeting Americans. The plan also provides for increasing the number of FBI support personnel overseas from 54 to 79.

Some U.S. diplomats and intelligence officials have suggested that the FBI plan amounts to "empire-building" and might detract from the agency's domestic crime-fighting activities. These critics also have expressed concern that FBI agents overseas inevitably will stumble into U.S. intelligence officers and operatives of the Drug Enforcement Administration carrying out similar duties.

But FBI officials say the bureau's overseas role is unique. They assert its activities will be confined solely to forging closer alliances with law enforcement officials in countries that Washington regards as current or future hotbeds of criminal activity affecting Americans.

By establishing these ties, they say, the bureau can more actively enlist other nations to help ferret out international terrorists, gangsters or drug kingpins and have them tried and convicted in U.S. courts.

The FBI also argues that the expansion is warranted in part because its 23 overseas offices are overworked.

It cites, as an example, the arrest in Tanzania last February of Kofi Mowat, an alleged member of the Washington drug gang known as the First and Kennedy Street Crew. That operation was carried out by agents based in Rome, an office that is responsible for keeping track of criminal activities in 25 other countries, including terrorism in Saudi Arabia and other Middle East countries.

The FBI, which serves as the investigative arm of the Justice Department, has primary jurisdiction over violations of federal laws within the United States. Its aim in operating overseas is to pursue federal crimes wherever the investigations lead, whereas the CIA has responsibility for

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## Fear in the West Bank

Arafat and His Police Are Assailed, but Quietly

By Barton Gellman  
Washington Post Service

NABLUS, West Bank — His swift reversal of fortune arrived as it had for so many before him — a friendly invitation for a five-minute "chat," sudden arrest by the Palestinian secret police and then months of harsh confinement without charge.

Mahmoud Jumayil, 27, had a broad local following as a leader of popular resistance during the Israeli occupation. That did not save him.

Transferred without explanation to a Palestinian Authority prison in this West Bank town, he was beaten there beyond hope of recovery — his skull

crushed and his body burned and bruised.

Mr. Jumayil's death and the intrigues widely thought to be behind it have become focal points for mutiny against the Palestinian Authority leader, Yasser Arafat.

A strike in Nablus this month and a violent demonstration in Tulkarm that resulted in the death of another citizen at the hands of the police have left democratic forces in despair, and have given radical opponents their strongest boost since Mr. Arafat was given control of the West Bank's main cities late last year.

Beneath the resentment, which centers on abundant signs of brutality and corruption in Mr. Arafat's security forces, is a new undercurrent of fear.

Intellectuals who once spoke boldly against anti-democratic trends are now trimming their public comments or falling silent. Ordinary Palestinians, who generally felt free six months ago to vent their discontent in street interviews, often will not give their names to reporters.

The main issue for Palestinians now is what kind of Palestine Mr. Arafat is building in the nucleus of his hoped-for independent state. But frustration at the stalemate in peace talks with Israel is aggravating Mr. Arafat's decline, just as rapid progress last fall and winter — featuring his triumphant arrival in six

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GETTING OUT — Refugees fleeing Grozny, the capital of Chechnya, on Tuesday after a night of heavy shelling in the rebel-held city. As Russian troops prepared to launch a major military offensive to retake Grozny, the Kremlin was plunged into a power vacuum. Page 5.

Dow Jones	Trib Index
Up 21.82	Up 0.37%
5721.25	138.02
The Dollar	
DM	1.4894 1.4872
Pound	1.5481 1.5453
Yen	108.335 107.805
FF	5.0945 5.086

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## AGENDA

### India Vetoes Treaty On Nuclear Testing

India, making good on its threat, vetoed an international treaty banning nuclear testing, blocking an accord that had been in negotiation for two years in Geneva. The leader of the U.S. negotiating team, Stephen Ledogar, angrily called India "insincere" and said that its stand was a cover for its determination to keep its nuclear weapons option. The United States is expected to lead a campaign to take the treaty directly to the 185-member General Assembly for approval in the fall. (Page 8)

Separately, India's foreign minister said that New Delhi was likely to resume long-range missile testing after a halt of more than two years despite pressure from the United States for a permanent cessation. The minister, Inder Kumar Gujral, also said that Indian scientists had succeeded in developing a cryogenic rocket engine, which some Western officials fear could be used by India to power an intercontinental ballistic missile. Speaking in Singapore, Mr. Gujral insisted that the new engine would be used for peaceful purposes in the country's space-satellite program. (Page 4)

### Nerve Gas Arms Junked

WASHINGTON — The Defense Department said it would begin destroying nerve gas rockets on Thursday at a facility in Utah as its first domestic step toward destroying the entire U.S. chemical arsenal by 2004. Similar weapons already are being destroyed in the Pacific.

Newsstand Prices

Andorra	10.00 FF	Lebanon	11.300
Antilles	12.50 FF	Morocco	16 Dh
Cameroun	1.600 CFA	Qatar	10.000 Rials
Egypt	CE 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1.100 CFA	Senegal	1.100 CFA
Greece	350 Dr	Spain	225 PTAS
Italy	2.800 Lit	Tunisia	1.250 Din
Ivory Coast	1.250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mtl. (Eur.)	\$1.20





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## THE AMERICAS

## Fresh Campaign Target: Dole's Votes for Taxes

### Clinton Team Accuses the Republican Of Writing Biggest Increase in History

By Kevin Merida  
Washington Post Service

WASHINGTON — President Bill Clinton's campaign has accelerated its efforts to discredit Bob Dole's economic plan, accusing the Republican nominee of supporting 450 increases in taxes and fees during his 35-year career as a lawmaker on Capitol Hill.

The assault, delivered Monday by Mr. Clinton's deputy campaign manager, Ann Lewis, had a twist: It is not the president's 1993 budget that had the largest tax increase in history, as Mr. Dole and other Republicans have repeatedly asserted. Rather, Ms. Lewis said, the biggest tax raise in peacetime history was written by Mr. Dole in 1982, when he was chairman of the Senate Finance Committee, and signed into law by President Ronald Reagan.

The bill, titled the Tax Equity and Fiscal Responsibility Act of 1982, reduced spending by \$17.5 billion and raised taxes by \$98.3 billion. The Clinton campaign cited the Joint Tax Committee in Congress and several newspaper articles that said when adjusted for inflation the 1982 tax hike was greater than Mr. Clinton's \$240 billion tax increase.

"We're here to set the record straight," Ms. Lewis said at a news conference. "Either Bob Dole has trouble with math or he has a case of convenient campaign amnesia."

To bolster their case, Clinton campaign aides gave reporters a weighty black binder labeled "Bob Dole's 450

Tax and Fee Hikes" that amounted to a journalistic history of Mr. Dole's record on taxes from 1965 to 1992.

Taxes are always a volatile issue in presidential politics, and the sparring between the Dole and Clinton campaigns over the issue is sure to intensify.

Mr. Dole has made his economic plan, which includes a 15 percent cut in personal income tax rates and a pledge to balance the budget without jeopardizing Medicare and the Social Security retirement system, the centerpiece of his campaign. To add credibility to his plan, he tapped as his running mate a longtime conservative champion of tax cuts, Jack Kemp.

In addition, the Dole campaign is set to unveil a new ad that will push the Dole-Kemp tax cut proposal in an effort to capitalize on the momentum coming out of the Republican National Convention. According to Dole campaign officials, the ad claims taxes are higher than ever now and challenges Mr. Clinton's assertion that the economy is better than it has been in three decades.

Mr. Clinton argued in an interview with the CBS program "60 Minutes" on Sunday that the Dole tax-cut proposal would "blow a hole in the deficit a mile wide." But as an indication of the emotional power of the tax issue, Mr. Clinton added: "I'm willing to pledge right now that I have no intention of raising taxes."

In an effort to undercut Mr. Dole's credibility on the issue, the campaign cited the Republican's votes for 450 tax and fee hikes contained in 37 bills that became law. Among the citations are multiple votes to increase Social Security, payroll and gasoline taxes.

Interestingly, the 1982 tax hike that Mr. Dole pushed through and Mr. Reagan reluctantly supported because of the growing budget deficit was opposed by Mr. Kemp, then a representative from New York, who argued that economic growth generated by the tax cuts of the previous year would ultimately eliminate the deficit. Mr. Kemp said at the time that Republicans should not walk away from their 1980 election mandate to cut taxes — especially during a recession.

Mr. Dole vigorously disagreed. "I do not subscribe to the fantasy that if we do nothing, deficits will disappear," he said at the time.

Responding to the Clinton campaign assault, the Dole campaign took aim at the president's record, saying Mr. Clinton had proposed 269 tax and fee increases, while Mr. Dole's record included opposing 60 tax increases and supporting the Reagan tax cuts of the 1980s. "Bill Clinton likes his tax increases like his McDonald's meals," said a Dole campaign spokeswoman, Christina Martin. "Supersized."

## Clinton's Lead Shrinks in Poll

New York Times Service

WASHINGTON — After a week in the limelight at the Republican National Convention, Bob Dole has sliced President Bill Clinton's lead in half, and more than twice as many people say they have a clear view of what he would do as president, the latest New York Times/CBS News Poll shows.

But the survey, conducted after the convention, found that many are skeptical about his signature tax-cut proposal and remain sharply split in their opinion of Mr. Dole himself.

More broadly, it showed that Mr. Clinton remains solidly ahead. The survey of 1,138 adults nationwide, interviewed Friday through Sunday, found that 50 percent of registered voters surveyed said they would support Mr. Clinton and Vice President Al Gore if the election were held now, while 39 percent favored Mr. Dole and Mr. Kemp — a gap of 11 points.

## Greens Choose an Unruly Candidate in Ralph Nader

By B. Drummond Ayres Jr.  
New York Times Service

LOS ANGELES — In a political development with a long-shot potential to cause President Bill Clinton some election trouble, the Green Party, an offspring of the anti-nuclear and environmental movements, has nominated Ralph Nader, the consumer advocate, to carry its banner in the fall.

Mr. Nader, somewhat out of the national limelight in recent years, on Monday readily accepted the nomination, whose November import comes because in the dozen or so states where the Green Party is on the ballot, most notably California, he still has good name recognition and a following that, while small, could be crucial in a close Clinton-Dole-Pertot race.

But ever the iconoclast, Mr. Nader picked up the Green banner without facing any opposition, then promptly declared that he would neither join the Green Party nor run on its platform, which calls for things like "ecological

wisdom," "gender cooperation" and "future focus."

Further, he said, he will neither raise nor accept any campaign financing — and most definitely will take no contributions from corporate America, which he termed the enemy of voters and the real target of his campaign, much as it was 30 years ago, when he first captured the national limelight with his crusade for automobile safety.

But Mr. Nader promised to put up \$5,000 of his own money (though not to disclose how he got it) so he could make "some very brief sojourns" around the country in search of free campaign publicity, giving interviews to any and all news media comers.

"I'm an independent," he said in what may have been the most obvious political statement uttered to date in the '96 campaign.

Three hundred or so Greens gathered in Los Angeles from around the country for their first-ever national nominating convention; the party claims a membership of 100,000, most of them Cali-



Mr. Clinton helping rebuild a church that burned in Fruitland, Tennessee.

## Prosecutors Said to Shift Focus Back to Clintons

By Jerry Gray  
New York Times Service

LITTLE ROCK, Arkansas — A Federal District judge on Tuesday sentenced Susan McDougal, one of the principal defendants in the Whitewater fraud case and a longtime acquaintance of President Bill Clinton and his wife, Hillary, to two years in prison, ignoring her pleas that she had been duped into the scheme by her husband.

Outside the courthouse after the verdict, one of Mrs. McDougal's lawyers, Bobby McDaniel, said that the special prosecutors in the case had told him that Mr. and Mrs. Clinton were the focus of their investigation and had offered his client probation if she would help them build a case against the couple.

"She is being used as a political pawn," he said. "The entire objective of prosecuting Susan McDougal was not to go after Susan McDougal, but to try to get

someone to say something against Bill and Hillary Clinton."

Mr. McDaniel said that the lead prosecutor, W. Ray Jahn, had approached him in the last few weeks and offered to use his influence to win probation for Mrs. McDougal in the Whitewater case and to drop a separate embezzlement charge and income tax charge pending against her in California if she would provide any information on the Clintons' role in Whitewater.

"I said, 'Tell us what you are looking for; tell us dates, times, places, transactions.' They would not tell me," Mr. McDaniel said. "I said, 'How do you expect us to do anything,' and they said, 'You know the focus of our investigation is Bill and Hillary Clinton, that's what we are looking for.'"

Mr. McDaniel said Mrs. McDougal had not provided any information to the prosecutors.

A spokeswoman for the Office of the

## Dole Assails Clinton For Cuts in Military

LOUISVILLE, Kentucky — Bob Dole stood with his running mate, Jack Kemp, and retired General Colin Powell on Tuesday and accused the Clinton administration of making devastating cuts in military spending. "We must restore our commitment to our men and women in uniform," he told the Veterans of Foreign Wars.

Mr. Dole raised the specter of U.S. servicemen and women surviving on food stamps, and he accused the administration of dragging its feet on modernizing the military.

Mr. Dole said President Bill Clinton had pressed through Congress defense cuts of 11 percent — and suggested it would have been more had Republicans in Congress not drawn "a line in the sand."

"Too much has been squandered in UN missions that have precious little to do with U.S. security," he said.

Mr. Powell, speaking before Mr. Dole, said the Republican candidate "has a vision that includes being an inclusive leader."

Mr. Powell, asked about speculation that he would be Mr. Dole's choice for secretary of state, said, "We haven't had any such discussions."

"Anything's open," he said. "But right now, the important thing is to get the team elected."

## Dole Camp Brawls

WASHINGTON — While Republicans were in the middle of their convention in San Diego last week, Bob Dole's campaign manager, Scott Reed, was forced to stamp out an internal power struggle between the

communications director, John Buckley, and the media adviser, Michael Murphy.

Mr. Reed summoned Mr. Murphy and Mr. Buckley to a meeting Friday morning in San Diego and confronted Mr. Murphy with evidence that he had been partly responsible for rumors that Mr. Buckley was about to be dumped from the campaign. People in the campaign said Mr. Murphy admitted his role and was reprimanded.

One official said: "What happened was that Murphy made his move and got caught and he got reprimanded hard, but because he has talent in making commercials he wasn't fired." (WP)

## Voters' Salaries Rise

WASHINGTON — Less than a week before the Democratic National Convention, Mr. Clinton was putting the spotlight Tuesday on a rare legislative victory for his party by signing a 90-cent minimum-wage increase.

An estimated 10 million Americans will see wage increases in their paychecks just before voters choose between Mr. Clinton and Mr. Dole in the November election. (AP)

## Quote/Unquote

Newt Gingrich, the House speaker, saying the United States should be ready to carry out military strikes against nations suspected of plotting attacks against American targets: "We don't wait around until after they take out the World Trade towers, with nuclear weapons next time. We go ahead and say: 'We have a reason to believe you're not behaving correctly. You should convince us in the next 24 hours that we're wrong or we will take you out.'" (Reuters)

## Away From Politics

• Army units were called in to help firefighters attack a huge week-old blaze near the resort of Clear Lake, north of San Francisco, the most serious of dozens of wildfires raging across nine Western states that threatened to set record highs for burned acreage. (AP)

• Women who work with mainframe computers and other equipment generating strong magnetic fields may be at greater risk of developing breast cancer, according to a new study. (AP)

• Deep Blue, IBM's supercomputer, will get another chance to play the human chess champion, Garry Kasparov. A six-game match will take place May 13-19 in New York City. Mr. Kasparov won in February, 4 to 2. (AP)



Mr. Nader at the Green Party convention.

## Director of CIA Denies He Plans to Step Down

Reuters

WASHINGTON — John Deutch, director of central intelligence, said in a letter published Tuesday that he had no plans to step down from his post, contrary to published speculation.

In a letter to the editor of The Washington Post, Mr. Deutch took the newspaper to task for a front-page article, which also appeared in the International Herald Tribune last week, that quoted him as having told friends he planned to leave at year's end.

"First, I am not leaving," wrote Mr. Deutch, who took over as intelligence chief in May 1995. "I have no plans to leave. I repeated the same message to the White House the day the article appeared."

"I will confess that I am now on vacation, but I shall return," he added, and said that he wanted to ensure that

U.S. intelligence remained "the best in the world."

Besides his duties as director of the Central Intelligence Agency, Mr. Deutch heads the overall intelligence community and is adviser to the president as a member of the National Security Council.

The Washington Post article quoted a person identified as a friend of Mr. Deutch as having said that the director, who is also a former deputy defense secretary, hoped to succeed William Perry as Pentagon chief if President Bill Clinton won re-election.

Mr. Deutch replaced James Woolsey, Mr. Clinton's first head of intelligence, who resigned in December 1994 after problems with Congress over the way he handled the case of Aldrich Ames, the CIA officer who long eluded detection as a spy for Russia inside the agency.

## The Prisoner of Atlanta: Living Under TV and FBI Eyes

By Kevin Sack  
New York Times Service

ATLANTA — Shortly after 8 A.M. on Monday, Richard Jewell, the security guard being investigated in the bombing at Centennial Olympic Park, left his apartment, hopped into his blue Toyota pickup and sped off.

By the time Mr. Jewell hit the open interstate, he was being trailed by a white network television van, and by four unmarked cars presumably driven by agents of the FBI. With Charles Lum, the brother of the television van, trying desperately to keep pace, the convoy soon reached speeds that Mr. Lum estimated at 85 or 90 miles an hour.

When Mr. Jewell drove off the interstate, some of the unmarked cars surrounded Mr. Lum's van and kept him from following.

What had set off the high-speed chase? Mr. Jewell had to pick up his Doberman pinscher at a kennel. "They were driving like maniacs — it was scary,"

said Mr. Lum, a college student hired by a consortium of television networks to help stake out Mr. Jewell's northeast Atlanta apartment.

"When they blocked me, the FBI agent just looked over and smiled. And to find out it was all for a dog. They must really be bored."

They are not alone. Although he has not been charged in the July 27 bombing, Mr. Jewell has spent the last three weeks as a virtual prisoner in the two-bedroom apartment he shares with his mother. Since July 30, when he was first publicly identified as a suspect, by The Atlanta Journal, he has ventured out of his apartment only five or six times, usually to visit a member of his ever-expanding team of lawyers.

The lawyers say Mr. Jewell fears harassment from reporters and the public. A contract employee who had been hired as a guard only for the duration of the Olympics, he will be unable to find work again if he is not cleared, they say. And so Mr. Jewell, 33, bides

his time by watching television, reading newspapers and magazines, and playing video games.

"He told me he was on Level 17 of Mission Command, whatever that is," said G. Watson Bryant Jr., one of the four lawyers retained by Mr. Jewell. "Don't ask me what level he was on before this started. All I know is, he's a lot better at it than he was."

Meanwhile, on an embankment overlooking his apartment building, network cameramen and producers while away their days waiting for rare sightings. Pooling their resources, ABC, CBS, CNN and NBC are paying a tenant in an apartment complex atop the embankment for the right to use her home as a base of operations — \$1,000 for every 24 hours they are present.

The tenant is "the one person that's seen an Olympic windfall," said Michael Epstein, a cameraman stationed outside the apartment terrace on Monday.

Mr. Jewell originally alerted the police to the green knapsack that contained the pipe bomb, whose subsequent explosion killed one woman, injured 111 people and contributed to a Turkish cameraman's fatal heart attack. After extensive searches of his current and former residences and places of employment, and dozens of interviews with his friends, the FBI has yet to disclose whether any physical evidence links him to the bombing.

At this point, the FBI, which leads a multiagency investigative task force, is saying little at all. It prefers to plod along in a style that one law-enforcement official likened to football's "three yards and a cloud of dust."

"Frankly, I'm just not commenting on Jewell right now," said Jay Spadafora, a bureau spokesman.

With time, Mr. Jewell and his lawyers grow more confident, Mr. Bryant said. They have started a public relations campaign against the FBI.

"It's clear that if they had

anything, they'd have arrested him by now," Mr. Bryant said. "They don't have squat. They've torn a man's life apart based on a profile, which is the most insidious use of such a thing that you can imagine."

Mr. Jewell's lawyers argue that it would have been impossible for him to point out the knapsack and also make the 911 telephone call that warned police of the bomb.

They have also started to explore the possibility of suing those who are investigating him and those in the news media who have made him a figure of worldwide infamy.

Wayne Grant, one of two civil litigators retained by Mr. Jewell, said he was not ready

to discuss such a lawsuit. But, he said, "There is something inherently wrong with the treatment he's received."

## Lie Detector Test

Mr. Jewell passed a lie detector test during which he denied involvement, according to a former FBI agent who administered the test for Mr. Jewell's lawyers. The Associated Press reported from Atlanta. The 15-hour test on Aug. 4 and on Thursday was conducted by Dick Rackliff, who is now in private practice.

"He didn't do it," Mr. Rackliff said on Monday. "There's not any doubt in my mind. He had no knowledge about the bomb."

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## ASIA/PACIFIC

## Defying U.S., India May Resume Long-Range Missile Tests

By Michael Richardson  
International Herald Tribune

SINGAPORE — India is likely to resume long-range missile testing after a halt of more than two years despite pressure from the United States for a permanent cessation, a senior Indian official indicated Tuesday.

The official, Inder Kumar Gujral, India's foreign minister, also said in an interview that Indian scientists had succeeded in developing a cryogenic rocket engine, which some Western officials fear could be used by India to power an intercontinental ballistic missile.

On a visit to Singapore, Mr. Gujral insisted, however, that the new engine would be used for peaceful purposes in the country's program to launch satellites into space.

U.S. officials have been urging India to stop its missile development program

on the ground that it will fan tensions with Pakistan and China, cause a regional race to put advanced nuclear warheads on missiles, and complicate global arms control efforts.

The Agni, India's longest range missile, has been tested three times out to a distance of nearly 1,000 kilometers. It is designed for a maximum range of about 2,500 kilometers.

However, there has been no further test firing of the Agni since February 1994, apparently because the previous Congress (I) Party government wanted to create a better climate for improving diplomatic and business ties with the United States.

Mr. Gujral, named foreign minister in the coalition government that emerged after the defeat of the Congress Party in recent national elections, said that while New Delhi wanted to maintain good relations with Washington, it had to take

account the fact that ballistic missiles had "already proliferated" in the region around India.

Evidently referring to U.S. reports that China had supplied Pakistan with M-11 missiles that are capable of carrying nuclear warheads and have a range of 280 kilometers, he said that "a very major power in the world has been supplying missiles to our neighborhood."

In January, the United States warned India not to deploy its short-range Prithvi missile, after Indian defense officials said the weapon would soon become operational following extensive testing.

The Prithvi, which has a range of about 250 kilometers, could also carry nuclear weapons, according to Western officials.

India and Pakistan have fought three wars since independence from Britain in

1947 and tension between them remains high over Kashmir and other issues.

Privately, Indian officials say that China has provided key assistance to Pakistan's covert nuclear weapons program as well as its missile development program. Both Pakistan and China deny this.

India tested a nuclear device in 1974 but says it has built no nuclear weapons and has no plans to carry out another test.

Experts believe both India and Pakistan could quickly assemble nuclear bombs, if they have not already done so.

New Delhi announced that it would start its own program to make cryogenic rocket engines within four years after the United States blocked a move by Russia in 1993 to transfer their technology to India.

In 1994, Russia offered instead to

provide India with seven cryogenic engines, which use low-temperature fuels specially designed for safe and efficient launch of rockets or missiles.

However, "efforts have been made to ask Russia not to give us cryogenic engines even," Mr. Gujral said.

As a result, he added, "We have developed our own."

"We are now trying to test it," he said. "It is not for a missile. It is for a spacecraft."

Asked why the United States was seeking to halt India's missile testing and its access to cryogenic technology, he replied: "I think some countries have a belief that we must always be kept away from new technologies, and that only some countries have a right to modern technology of this type."

"That is the colonial mentality which we want to break away from," he told an interviewer.

## Rioters Back North's Ideas About Unity

By Stella Kim

Special to the Herald Tribune

SEOUL — Although the South Korean student riots culminated Tuesday in a crackdown with hundreds of injuries and arrests, the protests began nine days before with a familiar litany of demands.

First, the students are seeking the South Korean government's permission to participate in what they call a "Grand Unification Festival" with their North Korean counterparts on the anniversary of Korean independence from Japanese colonial rule. Such participation would be barred under a national security law that virtually prohibits all contacts and activities with North Korea, which the students would like to see abolished.

Second, they are asking for reunification on North Korean terms. The two Koreas differ fundamentally in their ultimate vision of reunification. South Korea wants one nation with one economic system and one government under a liberal democracy, while leaders of the North say Korea should be one nation with two economic systems, and two governing bodies with separate ideologies. The North also wants to maintain its version of Stalinist communism.

In addition, the students are calling for the withdrawal of U.S. forces, whose presence on the Korean peninsula they view as symbolic of a puppet government in South Korea.

The students also want a peace treaty between the United States and North Korea, excluding South Korea. Washington has instead proposed four-way talks with the two Koreas and China.

"The students' assertions are in line with North Korean strategy to unite the peninsula under communism," said Kang Tae Hoon, a professor of political science at Dan Kook University in Seoul.

More than 5,000 of the students rounded up by the police since the protests began belong to the national federation of student councils, or Hanchongnyon.

The South Korean police said they had found evidence supporting claims that the Hanchongnyon was pro-North Korean and violated the national security law.

## Taipei Chief's Kiev Trip Fuels Fears of Tensions

Reuters

TAIPEI — Prime Minister Lien Chan of Taiwan emerged in Kiev on Tuesday, two days after beginning a mysterious European mission and raising the prospect of diplomatic difficulties between Ukraine and China.

Taiwan Television showed Mr. Lien with his wife and other Taiwan and Ukraine officials posing at the University of Kiev, where the announcer said Mr. Lien had received an honorary degree. Mr. Lien is also vice president of Taiwan.

State-funded television said Mr. Lien's visit had been arranged by the university, indicating it was unofficial, but said Mr. Lien had met with Ukraine officials and was awaiting a meeting with President Leonid Kuchma.

A former Soviet republic, Ukraine recognizes the Communist government in Beijing — not Taiwan's exiled Republic of China — but has made clear its desire for improved relations with Taiwan and its powerful export economy.

Ukraine also views China as a key trading partner, with annual two-way trade of almost \$1 billion.

China regards nationalist-ruled Taiwan as a rebel province and has sought to isolate it diplomatically since a civil war separated the two countries in 1949. Mr. Lien's presence in Ukraine virtually guarantees an angry response from Beijing.

A spokeswoman for the Foreign Ministry in Ukraine, interviewed by Taiwan Television, said a Lien-Kuchma meeting was possible.

"So far there is no such meeting in the plan," the spokeswoman said, "but it may take place absolutely unexpectedly."

Foreign Minister Hennadiy Udovenko of Ukraine said Kiev considered Taiwan an "integral part of continental China" and had no information on Mr. Lien's visit.

Officials of Ukraine's Crimean peninsula said Mr. Lien's "unofficial stopover" included a trip to the Black Sea resort of Yalta, contradicting earlier assertions from Kiev officials that Mr. Lien was not in the country.

Mr. Kuchma was due back in Kiev on Tuesday after a vacation in Crimea, but officials said he did not meet Mr. Lien.

A Crimean spokesman, Oleg Khomenok, told reporters in Simferopol that Mr. Lien had met with the deputy prime minister, the deputy speaker of the local Parliament and a parliamentary faction leader in the pro-Russian peninsula.

The nature of Mr. Lien's talks was not disclosed, however.

Foreign Minister John Chang of Taiwan maintained Taipei's official silence, saying that to disclose Mr. Lien's travels could compromise further activities still being planned. He said,



Foreign Minister John Chang of Taiwan being asked Tuesday in Taipei about Prime Minister Lien's trip.

however, that he would press ahead with Taiwan's drive to win diplomatic allies.

"We can only confirm vice president Lien is currently in Europe for a private visit," Mr. Chang told reporters.

"We have to realize our difficult situation in the international community," Mr. Chang said. "We will not give up any effort to expand our international living space."

On Monday, the number of states that recognize Taiwan fell by one to 30 as Niger, which split with Beijing to re-

cognize Taipei in 1992, switched back to Beijing.

In the past week, President Lee Teng-hui warned that Taiwan was becoming too dependent on China's economy and assailed what he called Beijing's irrational drive to isolate the island.

Continued from Page 1

Tuesday's mayhem on the government. "South-North Korea relations are not just going through a cool or rigid period — they have totally broken down," the academic said. "And who is responsible for this? No one but the government."

South and North Korea have remained technically at war since their 1950 to 1953 conflict, but relations worsened after the death of President Kim Il Sung of the North two years ago.

Since then, there have been no official government contacts between the two Koreas. South Korea and the United States have proposed four-party peace talks together with the North and China, but Pyongyang has yet to respond.

The government contends that the student protests, timed to coincide with the Aug. 15 anniversary of Korean independence, undermine Seoul's authority. The annual rally usually lasts about three days, but this year's protest was led by a more militant group of students.

The raid Tuesday started just before dawn, when police helicopters skinned low over the classroom complex and dropped liquid tear gas on students gathered on the roof.

Police held aloft metal shields as students rained down rocks, desks, chairs and gasoline bombs.

After leaping across flames at the entrance and clambering through smashed

windows, the police were briefly beaten back by a raging fire in the lobby.

Firefighters successfully brought the blaze under control. By then, some students on the roof were waving white flags to signal surrender.

On the rooftop of an adjacent building, assault troops dropped by helicopter trained automatic weapons on students. No live ammunition was used, despite an overnight warning by the national police chief that his men could use gunfire.

Dozens of students were injured in the assault by riot police trained in martial arts. A South Korean news photographer was in critical condition after being struck on the head by a rock.

Large parts of the classroom building were gutted by fire, and equipment was smashed beyond repair.

"This place is beyond recognition," said a university administrator, Yoo Young Choon, surveying the scene.

More than 100 students have been formally charged, some under national security laws. The senior prosecutor, Choi Hwan, pledged heavy punishment for the students, whom he branded "on-the-spot criminals" to be charged with violence, destruction of property and unlawful entry.

Outside the main campus gate, about 50 mothers and other relatives of the students pleaded for mercy. One mother screamed, "My son is not a communist." (Reuters, AFP, AP)

## Women Hail India Liquor Ban, but Stills Are Busy

By John F. Burns  
New York Times Service

DAULATABAD, India — In this village half an hour's drive south of New Delhi, the women say they cannot remember a less troubled time. Since prohibition came to the area in July, the daily round of rural life — walking to and from the fields, into a nearby town, or dropping over to neighbors — has been free for the first time in memory of the menace of local men who are drunk.

"For the first time in years, we can go out without fear of being harassed," said Sunita Chaudhary, 35, who was among the women here who worked for a decade for a ban on liquor.

On July 1, the women were rewarded when a new state government imposed prohibition throughout Haryana, a region of 17 million that virtually surrounds the nation's capital.

The law sought to eliminate one of the principal scourges of life in rural India, and a contributing factor to the country's failure to make sufficient headway against its legacy of grinding poverty.

Led by Banshi Lal, the populist chief minister, the state banned the production, transportation, sale and consumption of liquor. Penalties include heavy

fines and prison terms of up to three years.

Like previous efforts to ban liquor in India, the Haryana law has met with two broadly conflicting views. To some, it is a bold new bid to fulfill the vision of an alcohol-free nation set forth by Mohandas Gandhi, the leader of India's struggle for independence. To others, it is fresh folly by a politician, Mr. Lal, who is condemned for caring more about the women's vote than about the

problems prohibition has caused when it has been tried elsewhere.

In Daulatabad, discussion of the issue turns up both views — broadly speaking, one among the village women, the other among the men.

Like Mrs. Chaudhary, the women hail the ban as liberation from sexual harassment by strangers, and, most compelling for many women, from rages and beatings and fecklessness among their own men.

Among the men, there is little attempt to gloss over the problems of drinking, but little pretense, too, that

the ban will be observed. In the neighboring town of Gurgaon, Ram Kumar, a former assistant in a liquor store who was one of an estimated 250,000 people in Haryana's liquor and hotel industries who have lost their jobs, said he had given up drinking.

"They'll put handcuffs on me if I don't," he said. But he flashed a mischievous grin that suggested he had been speaking for the benefit of the women listening.

Among the poor, the abiding hazards of drinking are compounded by the risks, frequently fatal, of tainted moonshine.

This is not how Gandhi envisioned it when he proclaimed prohibition as one of the pillars of the self-rule movement in 1921. Though he was assassinated in 1948 months after independence, Gandhi's influence ensured that a commitment to prohibition was written into the Indian Constitution in 1950. In subsequent decades, Indian governments renewed the pledge without any concerted effort to carry it out. This left the matter to the states.

In most, the effort was eventually abandoned. For now, the only major states with prohibition laws, apart from Haryana, are Andhra Pradesh and Tamil Nadu in the south, and Gujarat, Gandhi's home state, on the northwest coast. In Gujarat, despite 180,000 arrests a year, the illegal liquor trade flourishes. Nearly 700 people are listed as having died from moonshine poisoning since the 1950s. In Andhra Pradesh, the government has been edging toward abandoning the policy since the loss of \$150 million in revenue from liquor taxes left no money to pay government wages.

Away from the women, the men tell a different story. Even before the ban took effect, they said, backyard stills producing *arrack*, a liquor distilled from palm sap, molasses, rice or grain, were cranking up to fill the void. For those with more discriminating tastes, the men said, it was only an hour's walk, or a brief bus ride, into the Delhi capital region, where liquor stores abound.

In other Indian states where prohibition has been tried, the pattern has been that of Prohibition in the United States in the 1920s, with gangland liquor barons operating speakeasies and

illegal stills under the protection of corrupt police forces and politicians.

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## KOREA: Campus Stormed to End Riots

Continued from Page 1

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## Thais Seek No-Confidence Vote

BANGKOK — Opposition parties submitted a no-confidence motion Tuesday against Prime Minister Banham Silpa-Archa, accusing him of damaging the country through mismanagement and inefficiency.

"Prime Minister Banham is inefficient and shows a lack of leadership," the opposition asserted in the motion submitted to the president of Parliament.

"He has abused his duty and turned a blind eye to rampant corruption," it said.

Debate on the motion will begin Sept. 11, an opposition member of Parliament said.

"The public will be shocked with the evidence we have in hand," said the Parliament member, Chamni Sakdiseth.

The prime minister has denied the allegations of mismanagement and impropriety and said he is ready to face the accusations in Parliament. (Reuters)

## Japan Checks on Jetliner Chase

TOKYO — Japan is investigating reports that two Japanese fighter planes chased a Qantas airliner earlier this month, forcing it to take emergency evasive action, Defense Minister Hideo Usui said Tuesday.

Australian radio said that Qantas Flight 22, from Tokyo to Sydney, was tailed off the Pacific coast of Japan on Aug. 8.

The pilot saw on his radar that two Japanese fighters were tracking the Boeing 747 and pulled the plane into a steep ascent to avoid an incident, ABC radio reported.

But officials of the Japanese Air Force said there was no record of fighters scrambling on that date, and that the air force had no training zones along the route from Tokyo to Sydney. (Reuters)

## Seoul Razes Colonial Capitol

SEOUL — South Korea on Tuesday began knocking down the blue-domed capitol building in a bid to erase memories of Japanese rule of the Korean Peninsula.

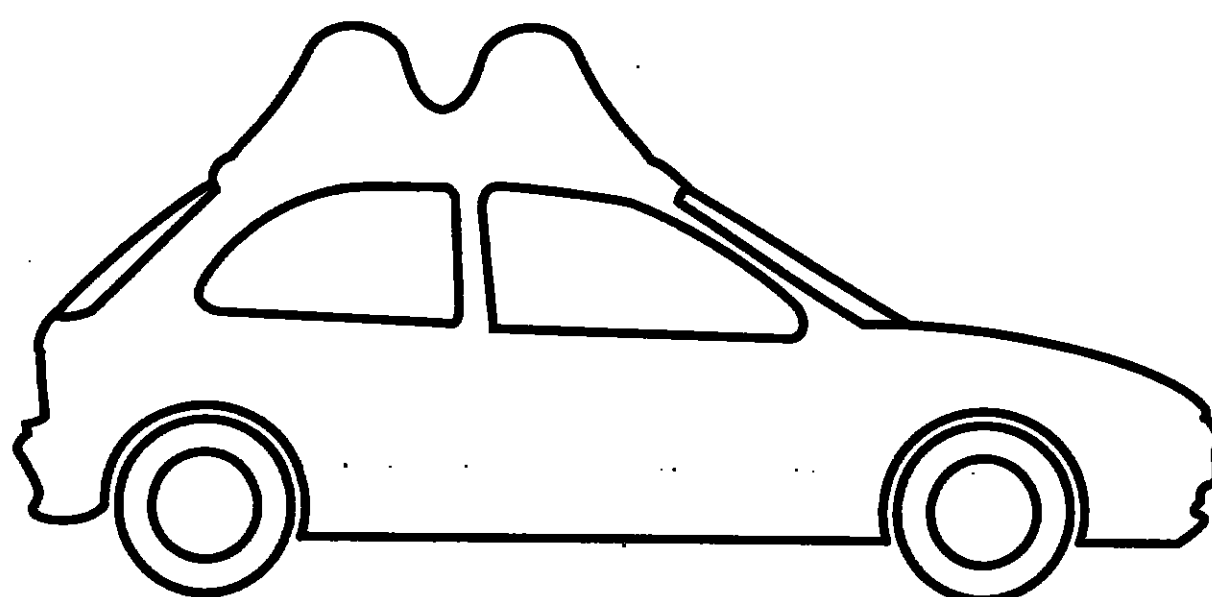
The capitol, seat of the Japanese colonial government, was built in 1926 on the grounds of Kyongbok Palace, the principal royal palace of Korea's Yi dynasty, which was deposed in 1910 when the Japan began 35 years of colonial rule. (Reuters)

## 220 Vietnam Fishermen Saved

HANOI — More than 220 fishermen

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consumed an extraordinary 2.69 liters per 100 km. It thus achieved the long-sought goal of a family car with full safety equipment that consumes less than 3 liters per 100 km.

In addition, two Opel Corsa Eco production cars with extensive safety equipment were awarded prizes for their low fuel consumption. This three-way victory proves, once again, that it may be easy enough to make a car economical at the price of safety. Or to make a car safe at the

price of economy. But it takes brilliant engineering to offer both benefits at the same time.

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هكذا من الأصل



## EUROPE



Chechens waiting Tuesday in Grozny for a haul in shelling before venturing out. Russian forces, meanwhile, are preparing a new offensive.

# New Yeltsin Riddle as Troops Gird to Take Grozny

By David Hoffman  
Washington Post Service

MOSCOW — As Russian troops prepared Tuesday to open a risky and bloody new offensive against Chechen separatists, the Kremlin was plunged into a fresh power vacuum that raised questions about whether the ailing President Boris Yeltsin was in charge.

Mr. Yeltsin slipped away from Moscow for what his spokesman described as a scouting trip to examine a vacation resort in the Valdai lake region, 220 miles (400 kilometers) northwest of here, a sudden departure on the threshold of a major military operation in Chechnya.

The Russian president suffers from heart trouble, and there was a new round of speculation Tuesday that surgery is imminent, which Mr. Yeltsin's spokesman denied.

Mr. Yeltsin left behind a strange, high-stakes public brawl among his lieutenants about whether he had given permission for the latest Russian military moves in Chechnya.

With his long public absences, and with such internal disputes coming to the surface ever more frequently, Mr. Yeltsin has become a remote and isolated figure — just four weeks after his inauguration for a second term.

The latest episode began Tuesday morning when Mr. Yeltsin's security chief, Alexander Lebed, questioned whether Mr. Yeltsin had personally signed and approved orders on Chechnya, which Mr. Lebed said would lead to new carnage and "a justified outburst of indignation throughout the entire country."

Mr. Lebed's spokesman circulated a statement saying that the signature on the orders was a "facsimile" that raised questions about whether it was the personal hand of the president.

It was the latest in a series of brazen

## More Refugees Fleeing the City As Attack Deadline Approaches

and unpredictable gambits by Mr. Lebed, a former general and an opponent of the war who has said a military offensive would wreck chances for a negotiated settlement.

Earlier, Mr. Lebed had publicly demanded the resignation of the Russian interior minister, Anatoli Kulikov, who is overseeing conduct of the war, but Mr. Yeltsin refused and Mr. Lebed backed down.

Mr. Lebed's statement Tuesday said he received the orders from Mr. Yeltsin only 20 minutes before they were announced, that they were developed behind his back and that they would scuttle his attempts to negotiate a settlement with the rebels, who are seeking independence from Russia.

Mr. Lebed accused other Yeltsin advisers whom he did not name of "incompetence" and haste in preparing the

orders, and suggested they had tried to "manipulate the president's name."

Mr. Lebed's statement was extraordinary because it bordered on insubordination. It also deepened the divide between Mr. Lebed, the gravely voiced security adviser who has said Russia is too weak to resort to military force in Chechnya, and the other military and government officials pushing for retaliation to the rebel capture of Grozny.

Later Tuesday, Mr. Yeltsin's spokesman confirmed the gist of Mr. Yeltsin's orders. The spokesman said Mr. Yeltsin had told Mr. Lebed that, in talks with the rebels, the Russian side would reject the separatists' demands as long as they kept shooting, and insisted that the rebels free the government buildings, roadblocks and Russian troops they have surrounded. In effect, the orders

appear to quell any chances for successful negotiations.

Despite the setbacks, Mr. Lebed was undeterred and his spokesman said he was still preparing a plan to settle the war. Mr. Lebed plans to travel to Grozny on Wednesday, just as the forces are gathering for a new offensive.

Around Grozny, the fighting intensified as Russian forces moved up reinforcements to try to oust the separatists, who overran much of the city in an Aug. 6 raid. The Russian commander, General Konstantin Pulikovskiy, announced late Monday that civilians would be given until Thursday morning before the Russians launched their strike, using aircraft as well as ground forces.

Despite appeals to call off the ultimatum, which critics said could lead to thousands of new civilian deaths in the 20-month-old war, General Pulikovskiy insisted again Tuesday that the plan would go forward, and Russian planes dropped leaflets on the capital, urging people to flee. Many of the refugees who took his advice ran into deadly battles on the outskirts of town.

Television reports said the Russians had encircled Grozny and laid mine fields around it.

The offensive is risky for the Russians, who suffered heavy casualties in the storming of Grozny early in the war.

Nonetheless, there were several indications that the Russian forces were preparing for a new offensive, including the return to Grozny of a hard-line commander, General Vyacheslav Tikhomirov, who was apparently recalled from leave to assume command of the troops from General Pulikovskiy.

In previous months, General Tikhomirov repeatedly criticized negotiations with the rebels and urged an all-out offensive against them.

## Car Bomb Kills Russian Official

The Associated Press

MAKHACHKALA, Russia — Four persons, including the regional finance minister, were killed Tuesday by a car bomb in the southern Russian republic of Dagestan.

The explosion wounded eight persons, the Interfax news agency was told by Dagestan's deputy interior minister, Valeri Beiev.

He said the bomb went off when the finance minister, Hamid Hamidov, walked past a car parked near the ministry building in Makhachkala, the capital of Dagestan.

Witnesses said the force of the blast threw the car into the air and sprayed the area with shrapnel.

The Itar-Tass news agency described Mr. Hamidov as a well-known entrepreneur, philanthropist, politician and athlete and credited him with attracting investment to Dagestan and setting up several banks and factories. He was a member of the Russian Parliament before he became finance minister.

Dagestan borders the breakaway republic of Chechnya, where Russian troops are at war with separatists.

## Fourth Belgian Is Charged in Sex Case

Court Links Jailed Brussels Businessman to Captors of Young Girls

Compiled by Our Staff From Dispatches

NEUFCHATEAU, Belgium — A Belgian court charged a fourth person Tuesday in the child-sex case in which two young girls died and at least four others were abducted, casting a pall of horror and outrage over the country.

Officials said the court decided to keep jailed a Brussels businessman, Jean-Michel Nihoul, who has been detained on charges of criminal association.

Marc Dutroux, a convicted rapist, and his associate, Michel Lelievre, were charged Friday with abduction and illegal imprisonment after the police rescued two girls from a house owned by Mr. Dutroux in the southern town of

Charleroi. Both girls had been sexually abused.

Mr. Dutroux led the police on Saturday to the buried bodies of two 8-year-old girls who died of starvation early this year after they were kidnapped in June 1995.

Mr. Dutroux's wife, Michelle Martin, was charged Monday with being an accomplice in the abduction and imprisonment of children.

The government on Tuesday called for international cooperation in the search for two other missing girls whom Mr. Dutroux admitted kidnapping.

Officials said they were checking whether the two, who disappeared last

year, had been sold to brothels in Eastern Europe.

But the police warned the parents of the two girls, who are 17 and 19 years old, that new developments could be days away. Hope remained of finding the two alive.

"We're asking people from all over the world to help us to work on this cruel affair," said Justice Minister Stefaan De Clerck.

The police also intensified their inquiry into Mr. Dutroux's suspected involvement with a child pornography ring. They searched 15 houses that are owned by Mr. Dutroux or people believed to be associates. (Reuters, AP)

## Kurdish Guerrillas Slay 3 in Ambush In Central Turkey

The Associated Press

SIVAS, Turkey — Kurdish guerrillas stopped private vehicles in central Turkey and sprayed the passengers with automatic weapons fire, killing a two-year-old child and two women, the Anatolia news agency reported Tuesday.

Seven people were wounded in the Monday night attack outside this town, 270 miles (440 kilometers) east of Ankara, the news agency said.

In clashes on Tuesday, Turkish troops killed 16 Kurdish rebels in the southeastern province of Hakkari, Anatolia reported. One soldier was also killed.

## Corsican Politician Escapes Bomb, Then Warns of Mainland Violence

Reuters

AJACCIO, Corsica — A senior Corsican politician, fresh from escaping a bomb attack, said Tuesday the French Mediterranean island was headed for new episodes of separatist violence that could spread to the mainland.

"I fear that we are heading away from a peace process toward violence in Corsica as well as on the mainland," Jose Rossi, a former French industry minister, said hours after the police defused a bomb on his doorstep.

The device was deactivated Monday night outside his apartment in Ajaccio after an anonymous telephone warning.

The police said that Mr. Rossi, who heads the elected council of southern Corsica, had been scheduled to spend the night in his apartment, which is

occupied by his daughter and son-in-law.

Hours after the attack, a powerful bomb damaged the office of the central government representative in Sartene early Tuesday, wrecking his car. It was the fifth bombing of a public building on the island in just over a week.

No one has claimed responsibility for the attacks, but Corsican separatists regularly attack government buildings as part of a guerrilla campaign that has been going on for two decades.

Mr. Rossi said a misunderstanding may have arisen from secret talks that are reported to have been held by the government and a separatist movement.

"There must be no doubletalk which lets nationalists hope for things that we cannot give them," he said in an interview with France 2 television.

## CROSSWORD

ACROSS

1 The Crimson Tide

5 Truckers' concern

9 Benchwarmer

14 Bulldogs

15 Tra trailer

16 Bel — cheese

17 Stadium walkway

23 Ill-humored

28 Awestruck

19 Key

20 "My joy" and "try delight," in an old song

22 Ill-humored

24 — effect (electrical phenomenon)

26 Sloppy dips

29 "It's freezing!"

31 Basketball's Thurmond

32 Star

35 Summer tops

37 Abu Dhabi's federation: Abbr.

38 Microscope slide subjects

40 "— real!"

41 Haunted house

42 Legends

43 Looks from Groucho

45 Radius's partner

46 Oz. and lb.

47 Accepted greedily, with up

48 Rob or Laura of "The Dick Van Dyke Show"

50 Ultimatum words

DOWN

1 It may go with the tie

2 Auto accessory

3 Dupe

4 Malign

5 Like some eyes

6 Score in this puzzle's theme

7 Cream ingredient

8 Freesty

9 Old moles' work

10 Famed couturier

11 Fam. member

12 Take habitually

13 "You —!"

21 O.K.

22 Vice follower

23 NCO's nickname

24 Web-footed mammal

27 Fits together

28 Ratskeller offerings

29 Cordedness

30 Close down

31 Hall-of-Famer

32 Comb

34 Wasn't upright

35 Binge

36 — skelter

38 Tractor

39 statement

40 Nonpareil

44 Most slippery

47 Main road

48 Old toothpaste brand

49 Boxer de la Hoya

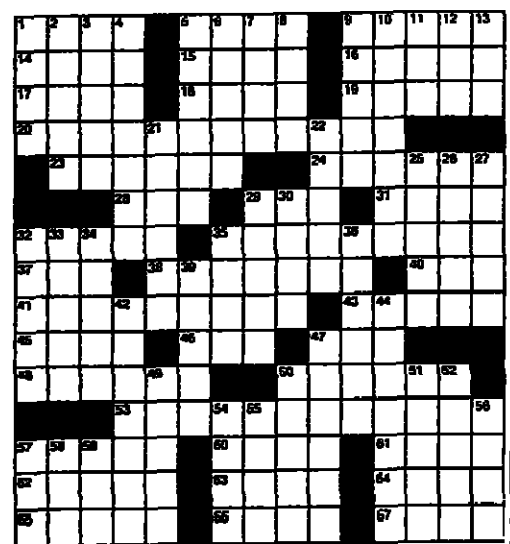
51 Moccasin, e.g.

52 Viceroy

54 "Wanna make something?"

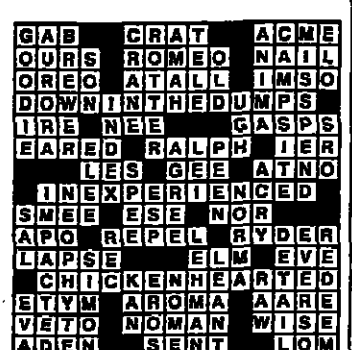
55 Brussels-based org.

56 Germany's Graf von



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Solution to Puzzle of Aug. 20



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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Trouble in Indonesia

There is trouble in Indonesia, and it touches important American interests and cannot be ignored.

Indonesia, with a population of 200 million, is the largest country in a regional bloc that is both a top-level trading partner of the United States and a keystone of the American security arch in Asia. Not since the Vietnam War period, when Indonesia trembled on the edge of chaos, have Americans had occasion to wonder where the country is going.

The current concern arises from the conduct of President Suharto, a retired general who took power in 1965. He has presided over a period of economic growth and relatively stable though sometimes brutal military rule. But at 75 he has fallen progressively more out of touch with the middle-class nation that Indonesia aspires to become, and nowhere more so than in his indulgence of corruption, especially in his own family, and in his refusal to let power pass.

A small, government-sanctioned opposition party led by the daughter, Megawati, of the country's founding father, Sukarno, started speaking for democracy and gathering a crowd. At the end of July the government cracked down hard. But the protests, and the repression, go on.

Reflexively, the army blames Com-

munist for the trouble. The charge illustrates the backward-looking quality of a military which for far too long has exploited the national demand for a steady hand in an unsteady archipelago to keep itself a central political actor.

Still, the unrest seems to represent not so much a great welling of a democratic urge as a desire for a style of leadership that will let the country get on with its pursuit of prosperity in a more efficient and less corrupt way. The business elements that strongman rule has favored are prominent among those encouraging its easing now.

The last time Indonesia came prominently on the American screen, in 1965, the army was killing up to half a million suspected Communists accused of launching a coup. The episode left a lasting reputation of a national capacity for shocking violence. But it is not ordained that Indonesia must go that way again.

Notwithstanding such conspicuous blots as the Indonesian army's seizure of and suppression of resistance in East Timor, Indonesia is in many ways a 20th century Asian success story. An orderly succession to a form of rule consistent with its contemporary aspirations is something that the United States should be working hard to help bring about.

—THE WASHINGTON POST.

## Keep Reforming Jordan

A lot of Americans generally think well of Jordan, seeing the kingdom as an island of Western-oriented moderation in an extremist or unstable Arab sea. Hence the twinge of apprehension that comes when this familiar partner of American diplomacy in the Middle East stumbles.

Not that a weekend of rioting, and the resulting crackdown, are going to bring the comfortable 44-year leadership of King Hussein to an end. It is disagreeable but necessary, nonetheless, to be reminded of Jordan's travails.

The current trouble actually arose from a wise impulse of the king and his advisers. Seeing regional peace spreading (Jordan signed a treaty with Israel in 1994), the Jordanians thought to undertake structural reforms and make themselves more appealing to foreign investors. They did what sensible countries try to do: They started cutting their budget deficit in order to pick up growth and lower inflation to Western levels.

Bread had been notoriously subsidized. To cushion the blow of more than doubling its price, the government led a broad public discussion of the change before the fact. It also inaugurated an unusual program of targeted cash subsidies for the poorest families.

Still, the bread price increase turned out to be more than the street could bear, especially among the non-Palestinian tribal and Bedouin elements that make up the king's bedrock support. In response, he blamed Iraq for the rioting (without evidence), suspended the Parliament and sent troops to crush with "an iron fist any hand of any demented person and anyone who challenges security and instigates dissent." Jordan's political scene includes elements of popular participation, but it is not what a Westerner would call a democracy.

It is important that there are two things King Hussein did not do. He did not immediately sacrifice his reform prime minister. And he appears determined to stay on the track of economic reform.

This last is crucial. In Jordan there is much discontent with the peace treaty with Israel. For one thing, it raised expectations of popular benefits that are far from being achieved. Yet it plainly remains in Jordan's interest to make its economy compatible with that of the West. His political tactics in pursuit of that goal are coarse, but the king is on the right economic track.

—THE WASHINGTON POST.

## Anti-Drug Humbug

American elections invariably bring political maneuvers to help politicians look tough on drugs. This year is no exception. Bill Clinton has asked Congress for a 67 percent increase in U.S. financial support for Latin American counternarcotics programs. By a close vote, the Senate recently agreed, paying for part of the \$92 million increase by transferring \$53 million that had been designated to aid the world's poorest citizens. The shift is doubly shameful, and should be reversed.

What could be tougher on cocaine than fighting Latin American drug trafficking? Almost anything, and the Senate and the president know it. The Senate has long been skeptical of counternarcotics efforts in Colombia, Peru and Bolivia. The president's drug czar, General Barry McCaffrey, has said U.S. counternarcotics programs in the Andes had not made a difference and has called for new ideas.

Since George Bush declared war on drugs seven years ago, Washington has spent at least \$1.5 billion on efforts to wipe out cocaine at its Andean source. The program has supported some of Latin America's most brutal police and military efforts, although it has improved in recent years by emphasizing police over military efforts. But it has not dented the flow of cocaine. Since 1989 the amount of coca under cultivation has increased. There is no indication that the cocaine supply in the United States has decreased. On America's streets, the price of cocaine is lower, and its purity higher, than when the war began.

After the United States had spent more than half a billion dollars in seven years to fight drugs in Colombia, President Clinton announced this March

that he could not certify that Colombia was cooperating effectively with U.S. counternarcotics efforts. The drug trade is so profitable and so mobile that the only solution lies in better treatment and policing in America.

The amendment to transfer the \$53 million, sponsored by Senator Paul Coverdell, Republican of Georgia, provides gravy for counternarcotics efforts abroad, which had already been given the biggest increase of any foreign program. The Coverdell cuts come in two valuable programs for helping the world's poor, which have already taken large recent reductions. A \$25 million decrease would trim aid to Unicef and the UN Development Program, among other things. A \$28 million cut would come from development efforts like child-nutrition and family-planning programs.

Politicians who want credit for doing something about drugs should put more money into programs that work in America. They should also reverse the Coverdell amendment.

—THE NEW YORK TIMES.

## Other Comment

### American Maladies

No civilization can survive with 12 year olds having babies, 14 year olds doing drugs, 15 year olds killing each other, 17 year olds dying of AIDS and 18 year olds receiving diplomas they can't even read.

All of those things are happening in America today.

—Newt Gingrich, House speaker, writing in The Washington Post.

## Cosmos Commander Boutros Ghali Isn't Guilty

By A.M. Rosenthal

NEW YORK — "And when I am president, every man and every woman in our armed forces will know the president is their commander in chief," said Bob Dole in his acceptance speech in San Diego. The next words were underlined in his text and voice, "Not Boutros Boutros Ghali or any other UN secretary-general."

That got a big hand at the convention. It always gets a nice hand when Mr. Dole and other Republican politicians say it, in or out of the convention hall. Hasn't failed for years.

Said once, it would be kind of comical. Here he comes, the secretary-general, parading the UN corridors, one day in U.S. fatigues, another in the turban of the Sikh general in the Indian Army, or the dress uniform of a Russian admiral. If he is commander in chief of U.S. forces he must be the same for all UN members, nein, cher Maréchal?

But said over and over, it is scare propaganda — a crazy-mirror distortion not only of the secretary-generalship but of the entire concept and operation of the United Nations.

The United Nations does not exist as Mr. Dole and the Republican platform committee wanted Americans to see it:

a strange foreign apparition floating out there whose chief bureaucrat can tell the United States what to do. It is a conference center in a U.S. city, where a majority of nations decide what economic, military or political action they might take, and give instructions to the UN staff, which then wanly hopes that the governments will pay up for everything they ordered.

No nation has more often or more successfully used the United Nations to get international support for military operations than the United States.

Harry Truman outwitted the Soviet Union to get the UN umbrella for the decision he had taken to resist the Communist invasion of South Korea.

George Bush got UN support for a coalition to defeat Saddam Hussein. The United States did not then tell the United Nations that it would permit Saddam to stay in power if he lost the war. Mr. Bush let that be a neat surprise.

Bill Clinton got the United Nations to approve the United States going into Haiti — and to take over when he wanted to get out. In Bosnia, the United

States and its allies used the United Nations when it suited them, and then bounced it in favor of a NATO military operation to stop the killing, plus make Bosnians love each other.

Each time, American combat troops were under American command, platoon to platoon. That was true, too, about American combat troops killed in Somalia, whose deaths were used in San Diego to demonize not the enemy but the United Nations.

Yes, small units of U.S. soldiers assigned to observe or other "peace-keeping" duties under UN operational control. Of 28,000 troops from 71 countries serving in scores of places around the world, 786 are American.

They were dispatched not by Cosmos Commander Boutros Ghali but by U.S. presidents for U.S. interests — political, military or intelligence. Sometimes they report to a general of an allied nation. These U.S. units are offered by Americans responsible through the U.S. chain of command to the president.

The Republican position leaves a hole that James Rubin, the new foreign policy spokesman for the Clinton reelection campaign, drove right through: If carried out as policy, America would

"lose an important tool to share the burden of solving problems of the new world, alienate key allies and have to choose between doing everything or doing nothing when the inevitable crisis affecting American interests arises."

The United States is the chief political and military beneficiary of the United Nations, and also earns a pretty dollar from having UN headquarters in the United States. It is also the chief deadbeat, more than \$1 billion behind in dues, as usual.

And because of the Clintonians' sudden arrogant announcement that Washington would veto the re-election of Mr. Boutros Ghali, the United States has rarely been more resented, nor the secretary-general more popular.

UN diplomats interpret the mugging of Mr. Boutros Ghali as a timorous act taken in fear that the Republicans might get some votes from their attacks against the United Nations.

If Mr. Dole wins, and one day has to commit troops to action, he will not fail to seek a UN endorsement that could help U.S. forces to win. The sensible time for Republicans to think of that is now, not when it becomes his duty.

The New York Times.

## Seek a New UN Mission and a Secretary-General to Fit

By Frank Ashcroft Judd

LONDON — What qualities should the secretary-general possess and what should be the role for the United Nations in the coming years? The secretary-general should be appointed on the basis of the priorities for the next decade.

The United Nations was founded to prevent war and maintain peace and international security, and this remains its key challenge as we near the end of the century. However, securing peace in the 1990s means preventing a very different type of conflict from that envisaged by the San Francisco delegates in 1945.

The overwhelming majority of wars are now fought within states, not between them. But the UN is the latest tragic example. These conflicts demand different approaches from those of the Cold War era, but the United Nations faces the fundamental problem that the organization has no explicit mandate to intervene in internal armed conflicts.

The United Nations is a state-based organization with an emphasis on international disputes and nonintervention in domestic affairs — an emphasis which is increasingly anachronistic in the world of today. The UN failure to prevent or manage conflicts in Somalia, Rwanda, Bosnia and, arguably, parts of the former Soviet Union has largely stemmed from a lack of orientation toward this new strategic environment.

A new approach to dealing

with conflicts is required, and the ability to develop this must be the prime criterion for the selection of the next secretary-general. Countries are beginning to acknowledge the limitations of notions of absolute sovereignty, and so there is now a vital opportunity to build a new framework for effective action.

African states, united by experience of colonial rule, have traditionally been strong supporters of the noninterference doctrine. But with the establishment of the Mechanism for Conflict Prevention, Management and Resolution, in 1993,

### A new approach to dealing with conflicts is required.

The Organization of African Unity has signaled the need to address the tensions within countries which have produced many of the conflicts from which Africa has suffered.

Preventing intra-state conflicts cannot be done by the United Nations alone. It requires a multi-track approach, harnessing the abilities of a wide range of actors including UN bodies, governments, regional and nongovernmental organizations, churches and businesses.

Today's conflicts are not fought between competing state forces with tight command structures and clear points of contact. They are complex affairs often between disparate militia groups or between the state army and civilians. The old channels of state-controlled diplomacy are increasingly being rendered redundant in this setting.

Peace in internal conflicts can come only through a process which involves the combatants themselves. A structured response to crises must be developed to reflect this with a clear division of labor based on the comparative resources, talents and access to the warring parties of each organization.

The United Nations should be the forum which coordinates the range of actions, provides their legitimacy and ensures coherence, consistency and accountability — not least that of NATO in Bosnia. It can be the framework within which a wide range of specialist actors intervene in the cause of peace.

Early action must be the watchword of this new approach. The humanitarian, political and economic costs of timely early action are a fraction of the expense of belated intervention, and the chances of success are higher.

The strategic aim for the United Nations that the new secretary-general should pioneer should be to build an un-

brella of concern involving the participation of the whole international community.

The greater the range of bodies and organizations among which concern can be fostered, and which can share the burden of helping to prevent conflicts, the greater the likelihood of reducing tensions and resolving differences without recourse to violence.

Recent efforts to combat drug trafficking and international terrorism have demonstrated the willingness of governments and international bodies to work together and

### The United Nations is no more than the sum of its parts.

forge new alliances for preventive action. The task for the secretary-general is to transfer this cohesion to the vital area of conflict prevention.

The secretary-general ought to be someone who can develop this new role for the United Nations and have a clear vision of the organization's position and purpose in a changing world.

Crucially, she or he must have the political skills to convince governments to give the United Nations the personnel and financial backing it so badly needs, and to persuade the public that the United Nations is worth supporting. It is no more

than the sum of its parts, and without the support of its member states it is impotent.

There is a real opportunity now for the international community to develop a new approach to tackling conflict, which addresses its root causes and enables the building of sustainable peace. The United Nations should be at the forefront of this effort.

There are, however, no quick fixes. The partnerships and alliances that a long-term strategy for conflict prevention requires will need sustained support from individual governments which hitherto have been reluctant to offer this assistance.

This is the acid test. Do governments really want the United Nations they profess to want? Does their commitment to conflict prevention go beyond mere lip service?

I shall never forget the senior diplomat who, when asked by me during my time as director of Oxfam what were the criteria on which the leaders of the international community were agreed, replied: "You know perfectly well. The one criterion on which they are all in agreement is that on no account should we have a strong secretary-general."

At the end of the day, it is this cynicism that must be overcome.

The writer is senior fellow of *Saferworld*, an independent think tank. He contributed this comment to the *International Herald Tribune*.

## For Israel, the 'Lebanon First' Ploy Leads Back to Square One

By Phil Gordon

TEL AVIV — After more than two months of waiting to see what Israeli Prime Minister Benjamin Netanyahu's first diplomatic initiative would be, or indeed if there would even be one, the world has its answer: "Lebanon First."

Given that negotiations with the Palestinians have stalled over the new government's reluctance to proceed with "land for peace," and that talks with Syria are frozen by Mr. Netanyahu's determination to hold on to the Golan Heights, the chosen area for keeping the remnants of the peace process on track is Lebanon, one of the two remaining frontline states (the other is Syria) not to have made peace with Israel.

That Israel would like to conclude a peace deal on Lebanon is not surprising. It has been

Yet a Lebanon First deal is unlikely, for the very reasons that it is so attractive to Israel.

For Syrian President Hafez Assad to cut a deal on Lebanon would be tantamount to giving up both his current mastery of that country and his only leverage with Israel on the Golan.

He would personally go from being the key Arab actor in the Arab-Israeli peace process — U.S. Secretary of State Warren Christopher has visited him more than 20 times in the pursuit of a deal — to being a relatively marginal actor with little bargaining power over the Golan.

Not surprisingly, Mr. Assad has categorically rejected Lebanon First, insisting that negotiations cannot proceed on Lebanon unless and until they proceed with Syria on the Golan as well.

Why is Mr. Netanyahu staking his first major foreign policy move on a policy that seems so likely to fail?

First, a Lebanon initiative at least gives the impression of diplomatic activity, which is important both for Israeli domestic opinion and to the Americans. Second, pursuing a policy that Israel knows will be rejected in Damascus is good public relations.

It allows Israel to announce that it is fully prepared to withdraw from the territory of an Arab state — in accordance with UN Resolution 425, supported by the entire Arab world — if only Syria will let it, which it will not.

In other words, Israel wants to show, the only thing preventing peace in both Lebanon and northern Israel is hegemonic Syrian designs on Lebanon and Mr. Assad's lack of sincere commitment to peace.

Only when it confuses its understandable wishes with reality does the Israeli government actually believe that pressure from the United States, the Arab states and perhaps even Hezbollah itself will actually get the Syrians to accept the offer.

that a threat continued to exist.

Another option, more compatible with Mr. Netanyahu's desired image, is getting tough with Mr. Assad, and refusing to talk except on Israel's terms.

But cutting Syria off completely and attacking its positions in Lebanon would run the risk of more conflict, killing, instability and even war.

If Mr. Assad's only choices are abandoning both Lebanon and the Golan on the one hand, and launching missiles at Israel on the other, he might well choose the latter. That would be an enormous responsibility for the Israeli prime minister to bear, in a conflict in which the stakes are not Israel's survival but a strip of Lebanon that Israelis do not claim as their own.

Lebanon First is thus a clever ploy that may bring public relations benefits even if it does not lead to peace. But it is unlikely to lead to peace, and before long Israel may find itself

back in the position where it has to return to the policies of comprehensive and serious negotiation or take a harder line and run the risk of escalation.

The negotiation, as problematic and perhaps doomed to fail as it may be, is probably inevitable in the long run. The main question is whether it takes place before or after escalation has occurred.

The writer, a senior fellow at the International Institute for Strategic Studies, in London, contributed this comment to the *International Herald Tribune*.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1896: Parisian Health

PARIS — During the thirty-third week of the year there were 821 deaths in Paris, which shows a decrease of nearly ninety on the mortality of the previous week. The sanitary condition of the city is, therefore, very satisfactory. Infectious diseases continue to be rare. Typhoid fever caused eleven deaths, measles only eight, scarlet fever five, whooping cough six and diphtheria seven.

### 1921: German Peace

WASHINGTON — Reports that the peace treaty with Germany will be signed within a week by Mr. Ellis Dredel, American High Commissioner in Berlin, were verified here today [Aug. 20]. The treaty, as transmitted to Mr. Dredel, contains a re-statement of Section 2 of the Knox Resolution, which seeks to reserve to the United

### 1946: Dire Straits

LONDON — Britain will send to Russia in two or three days a note suggesting that an international conference be summoned to settle the explosive question of the Dardanelles-Bosphorus zone, informed government sources said here tonight [Aug. 21]. The note will outline Britain's unqualified disapproval of Russian claims made two weeks ago on Turkey for a share with Turkey in the defense of the strategic Dardanelles waterway. In general the British representation will take a line similar to the American note to the Soviet Union on the Dardanelles announced in Washington today [Aug. 21].

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

ESTABLISHED 1887

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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337  
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## OPINION/LETTERS

## Americans Aren't Falling For the Old Chestnuts

By Richard Cohen

SAN DIEGO — On the first night of the Republican Convention, after Colin Powell and Nancy Reagan had spoken, Bob Dole strode into a private party for Nancy Reagan almost without anyone noticing. He was accompanied by his wife, Elizabeth, and some Secret Service agents, but not by the shimmer of vitality a presidential candidate usually gives a room — the glow of charisma that attracts people the way light does moths. For a time, in fact, Mr. Dole was almost alone.

I went up to him. He said the first night of the convention had been wonderful. I agreed. He said he had a good night, he said. I agreed. All that time — a minute or so — no one pushed to get close to Mr. Dole. Maybe that's because of his handicap, which leaves people unsure of how to approach him and shake his hand. Whatever the reasons, they sure didn't apply to Jack Kemp. He was mobbed.

That room at that moment said something about Bob Dole — a truism obscured by the gaudy lights and blaring sound of a national convention: He is an odd politician and a still-odd presidential candidate. The Republican ticket is now complete and it has a big tax cut that is designed to take it to victory in November. But at the heart of a campaign is the candidate himself and in Mr. Dole's case that happens to be a 73-year-old man who is not likely to be anything different from what he has been.

To my mind, his acceptance speech did nothing to change that perception. It was occasionally eloquent and occasionally even wise. I liked his defense of politics and of the need to compromise. I liked what he had to say about tolerance, telling haters they had made a mistake joining the party of Lincoln. "The exits, which are clearly marked, are for you to walk out of," he said. True to political tradition, specifics were avoided. The haters, wondering who they might be, stayed in their seats.

Mr. Dole also talked nicely about his origins. When he said, "Under the immense sky where I was born and raised, a man is very small, and if he thinks otherwise, he is wrong," I heard the words of Whitman, the music of Copeland and the vistas of George Stevens, the film director. It was good

stuff, speechwriting at its best, but it could not be sustained and, anyway, such imagery, while nice, is irrelevant. Even Mr. Dole — no, especially Mr. Dole — would not move back to Russell, Kansas. He and America have moved on.

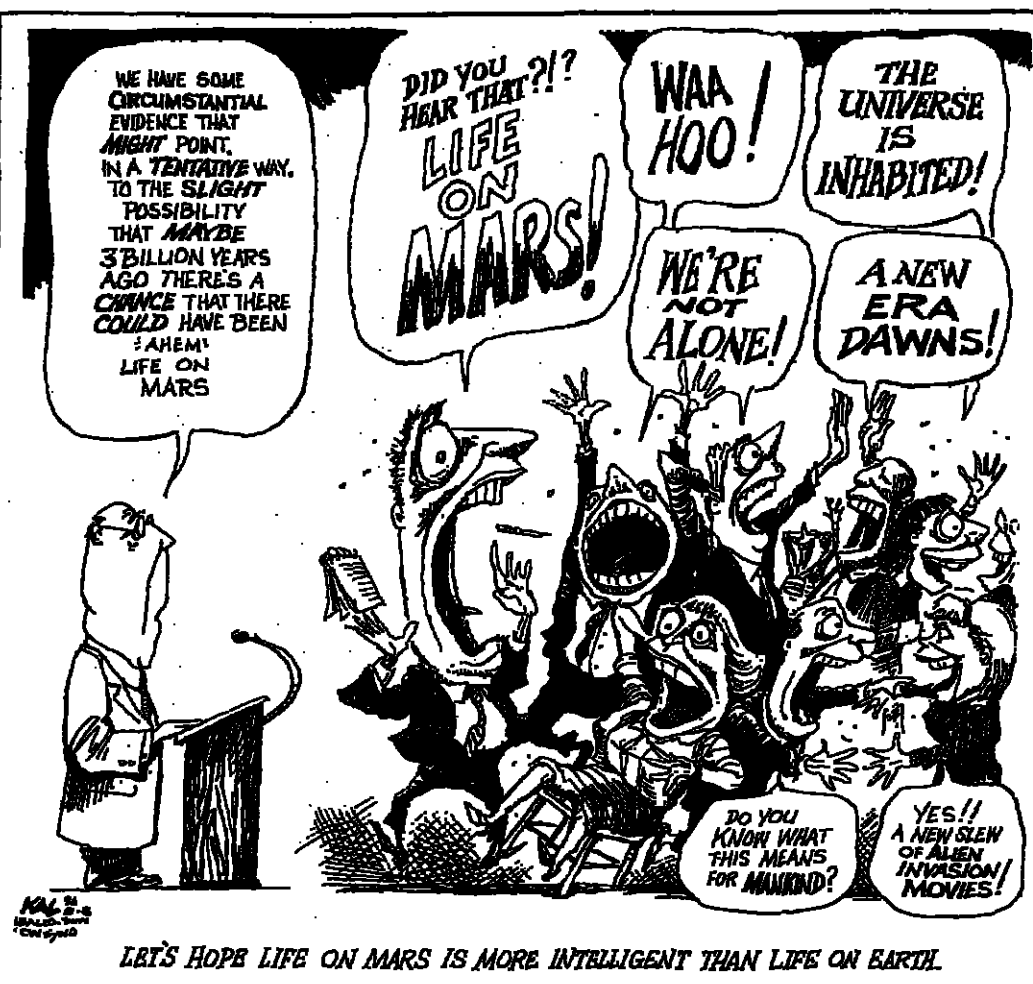
Mr. Dole also spent much time on his proposed tax cut — a painless one, of course. If it will affect Social Security and other entitlement programs, no one is saying so. If it will further rot the nation's infrastructure, this is not being mentioned. If it will hurt the already hurting cities, we are not being told. Even so, much of the nation is dubious and has come to see tax policy as a shell game. If federal taxes go down, state or local taxes go up. Look under the shells. The pea is in one of them.

But somewhere in Mr. Dole's long speech, I started to drift. The speech lacked narrative drive, a story line saying where a Dole presidency would take the country. The address did not have an overriding theme, at least not one that I could detect, and while it was delivered nicely (maybe a personal best for Mr. Dole), it was not delivered brilliantly — not with the verve that could, in another era, propel delegates from the ball and into the streets for a torchlight parade.

An odd thing has happened in American political life. As each and every candidate talks about character and family values, as they extol their impoverished childhood and the wonderful lessons imparted by not having nice clothes to wear to school, the nation as a whole seems to have moved past that. Sure, Bob Dole is a man of Midwestern rectitude but Bill Clinton — whose name has never appeared in the same sentence with rectitude — maintains a big lead. That's because the country is prosperous and at peace.

When Bob Dole chokes up in his speeches and remarks, so do I. When he mentions his battlefield injuries and his long, arduous recuperation, I salute in awe. But for all that, Mr. Dole remains an odd candidate for the television age. He's no one-man crowd like Mr. Clinton, but a man going through this world virtually alone. Bob Dole calls himself Bob Dole for a reason. Even he puts himself at a distance.

The Washington Post.



## LETTERS TO THE EDITOR

## 'Foreign Babes'

As a cast member of the Chinese nighttime drama "Foreign Babes in Beijing," I want to respond to "Not a Pretty Picture: 'Foreign Babes in Beijing'" (Features, July 25).

"Foreign Babes in Beijing" is a nighttime soap opera. The Chinese viewing audience, no less sophisticated than America's soap opera watchers, understands it to be exactly that. It is neither a documentary nor a news report and it plays on stereotypes and drama no more than any American prime-time show does.

How accurate a depiction of any average American teenager's life is "Beverly Hills 90210"? How fair to American women is a show like "Melrose Place," and how do minorities fare in America's trendy cop shows? If we were ever to see a Chinese character appear on American television, it is doubtful that American directors could create an accurate picture. If you buy into

television, then you buy into stereotypes.

Chinese audiences have reacted to me on the streets in the same way that American viewers react to American TV actresses. They find the show amusing, not prophetic or enlightening; it is wrong to think that people here cannot differentiate between the fiction of a television series and the fact of a real foreigner.

There are two additional and important details overlooked in the article. The first is that my relentless Jessie character is the "second lead." She plays opposite a good American girl. The lead of the series, "Louisa," is a sweet, ethical American who bridges the two cultures carefully. She wins over the traditional Li family with her love and charm, marries the younger of the two brothers and is as consistently virtuous as any Chinese heroine.

Although as two-dimensional and stereotypical as my Jessie, Louisa offers the "Foreign Babes" audience another foreign

character and another perspective. There is a spectrum, and although only one side of it appeared in the article, both sides are accounted for in the show.

The second fundamental point is that Jessie is redeemed by the end of the show. She sacrifices everything for love; her future in-laws understand that she loves their son and is worthy, honest and sincere.

She is rewarded by the script; when she and her fiancé leave China for the United States, the scene is one of inevitable progress into the future, not painful departure from the past or xenophobic melodrama.

"Foreign Babes," like most television material, is simultaneously an oversimplification and exaggeration of peoples' lives. It is not a precise or accurate portrayal of our lives as real-live foreigners in Beijing. As the same time, the show is neither malicious nor one-sided.

RACHEL DE WOSKIN. Beijing.

## In 'Border-Free' Europe, A Weekend in Limbo

By John Williams

NEW YORK — Very early on a recent Sunday morning, I sat in Madrid's airport, in a zone between arrivals and immigration, awaiting expulsion — to where was not clear.

Everyone was embarrassed. Continental Airlines had not checked my Australian passport for a Spanish visa before the

## MEANWHILE

flight from Newark, New Jersey, and I hadn't realized I needed one.

Spanish officials had on their hands a pink, sixtyish person in a business suit, hardly the usual lean and hungry job-seeker. One of them even came over to commiserate with me.

Now, instead of an afternoon at the Prado before meetings started on Monday, I was in a very uncomfortable position.

And in sad company. A middle-aged Arab woman in headscarf waited and gazed to her family beyond customs before being led off for a flight to who knows where. A young Filipino woman came to sit nearby, hunched and shaking.

As I waited, I reflected on how quickly immigration doors had slammed shut everywhere in the affluent world. I thought of my own case: Australia's original settlers had included convicts and refugees from Irish poverty like my great-grandparents. Today, on the other hand, Australia requires visas from all countries except New Zealand.

Meanwhile, Continental — embarrassed that it had let me board the plane in Newark in the first place — wanted me out of there but fast. No, the agent said, it was pointless to argue.

The senior Spanish immigration official insisted that the new European accord on border controls, while technically making life easier for EU residents, had in fact removed any flexibility for non-Europeans in situations like mine. (Since March 1995, the Schengen agreement has sought to create a passport-free zone among seven European Union countries.)

Would I agree to return to Newark? I had an onward ticket for Geneva? Perfect. They would make the arrangements, re-tag

the baggage, even upgrade me. No problem.

"The French are being tough on their Schengen partners," another passenger said, by way of possible explanation for my difficulties: in the past, it was frequently possible for travelers in my predicament to get a last-minute visa at the airport.

Leaving Spain wasn't easy. One British Airways and three Iberia flights were scheduled to board through the same gate, with predictable results.

After viewing some 45 minutes of Anglo-Hispanic chaos, I stopped at a nearby cafeteria for a sandwich and coffee. The moment I sat down, the Geneva flight was called.

Early Monday I was at the Spanish Consulate General in Geneva. They were open but did not issue visas on Mondays. I was about to give up on getting to Spain altogether when one of my colleagues suggested another approach: Try the French.

"I can't give you a Schengen visa just for Madrid," said the visa officer at the French Consulate General.

But she had a clever idea: "Why don't you add Ferney-Voltaire to your application?" Ferney-Voltaire is a French border town near Geneva.

She smiled. I smiled. The visa took five minutes to process. A few hours later I was back at Madrid immigration, a bit let down that none of the previous day's wait were around to witness my speedy return to official grace. My French Schengen visa was accepted immediately. I was in.

A Spanish colleague was waiting for me outside customs. "At last!" he cried.

"Thanks to the French," I said.

He changed the subject. Soon we were driving through Madrid's leafy streets, dappled with the gold and shade of a summer afternoon. In its own way, I thought, the experience had been at least as interesting as a visit to the Prado.

The author is a free-lance writer and consultant to Unicef. He contributed this comment to the International Herald Tribune.

## BOOKS

JOE LOUIS:  
The Great Black Hope  
By Richard Bak 315 pages.  
\$21.95. Taylor.

SMOKIN' JOE:  
The Autobiography of a  
Heavyweight Champion  
of the World

By Joe Frazier with Phil  
Berger 213 pages. \$23.95.  
Macmillan.

Reviewed by

Mark Bradley

THE heavyweight championship of the world used to mean a lot more than it does now. A succession of out-of-shape and overpaid nonentities, pay-for-view television and a parade of alphabet soup sanctioning bodies — at least five by my count — have rendered this once-great title meaningless to the vast majority of sports fans and relegated the sport to a status just slightly above professional wrestling in the American sports constellation.

But before the days of

Tony Tubbs and Michael Moorer were the times of Joe Louis and Joe Frazier, when boxing, particularly heavyweight boxing, attracted a mass national following and heavyweight bouts not only ruled the sports pages but provided the talk on every street corner, the discussion in every cab ride and the argument in every country store. Richard Bak's "Joe Louis: The Great Black Hope" and Joe Frazier's autobiography, "Smokin' Joe," written with former New York Times boxing writer Phil Berger, commemorate these bygone days and underscore not only what boxing was but also how far it has deteriorated.

Bak paints a likable but sad portrait of the fabled "Brown Bomber." A magnificent fighter capable of dropping a man with either hand, Joe Louis Barrow was part of the great black migration north in the 1920s. Tutored by his manager, Johnny Roxborough, and his trainer, Jack Blackburn, Louis developed his lethal minimalist style, characterized by an accurate

knockout punch thrown from as close as six inches from an opponent's chin — and, equally important, a gentlemanly public demeanor.

Up until then, white America — traumatized by the deadly fists and sexual antics of "Papa" Jack Johnson, who ruled the heavyweight division from 1908 until 1915 — had been in no mood for another black champion. Louis's handlers knew that their fighter's image would have to be drastically different to attract white supporters and the financial rewards that would follow. To ensure this, Roxborough drafted a list of admonishments that Louis would adhere to throughout his career. These included never having his picture taken with a white woman, never gloating over a fallen foe and maintaining a deadpan expression in the ring.

With his superb ability and carefully cultivated public image, Louis developed into an American hero and quietly paved the way for other black athletes such as Jackie and Sugar Ray Robinson in an era when segregation was very much the order of the day. Black America adored Joe Louis and lived and died with his every fight.

Ruling the heavyweight division from 1937 until 1949, Louis took on all comers. His most noted fights were his 1938 knockout of Max Baer and his 1941 slugfest at the Polo Grounds in New York with light heavyweight champion Billy Conn. By 1949, Louis was beginning to feel the physical effects of the sport. Announcing his retirement, he began a sad decline that would be hastened by a mountain of debt brought on by a lifetime of financial mismanagement and too-good times. By 1956, he owed the Internal Revenue Service more than a million dollars. As a close friend once remarked, "All it took was a sob story, pouty look or flash of leg, and Joe was pulling bills from his pocket." Driven back into the ring by crushing financial pressure, Louis was punched permanently into retirement by Rocky Marciano in 1951.

Reduced to working as a professional wrestler, he later fought off mental illness and drug addiction to become a greeter in a Las Vegas casino until he died in 1981.

Although well written, Bak's book should either have been streamlined or re-

titled "Joe Louis and His Times." It also suffers from a lack of footnotes. Still, it is enjoyable and does honor to this towering figure.

Joe Frazier's autobiography is a happier story, if for no other reason than that he still has both his money and his senses. Also from the South, Frazier left South Carolina on the "Dog" — a Greyhound bus — and made his way to Philadelphia, where he landed a job at Cross Brothers, a slaughterhouse. Pounding on sides of beef and on the heavy bag in the Police Athletic League gym after work, the short-armed Frazier methodically developed the sledgehammer left hook that became his trademark. Fighting in an era when heavyweight boxing had a legitimate top 10, Frazier, in a professional career that lasted from 1965 until 1981, fought many of boxing's toughest, including Bonavena, Quarry, Foreman and Ali.

It is with Ali, however, that Frazier's name will be forever linked. In three exceptionally violent confrontations — their first fight in 1971 was arguably the greatest heavyweight championship bout in history — these men set the standard by which all other championship matches will be measured. Unfortunately, neither man has ever really recovered. Frazier spent several weeks in the hospital after the battle and would never again be as dominating as he once was. In 1973, he was nearly decapitated by a young George Foreman in Jamaica, losing the title he had held for three years. Although Ali later recaptured the title from Foreman, too many head shots, many of them delivered by Frazier, have left him in a debilitated state.

To this day, Frazier despises Ali and cannot forgive him for placing their three fights on the racial fault line. Called "Uncle Tom" and "Stepin Fetchit" one too many times by Ali, Frazier believes the Lord has justly punished his nemesis. An intensely proud man and stubborn warrior, Frazier, like his hero Joe Louis, let his fists do his talking and was truly worthy of being called the Heavyweight Champion of the World.

Mark Bradley, a Washington criminal defense attorney and a former amateur boxer, wrote this for The Washington Post.

## BEST SELLERS

New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.		
FICTION		
Book	Weeks on list	
1 CAUSE OF DEATH, by David Copperfield	1	5
2 THE RUNAWAY JURY, by John Grisham	2	12
3 SERVANT OF THE BONNET, by Anne Rice	3	2
4 THE LAST DON, by Mario Puzo	3	2
5 THE CELESTINE PROPHECY, by James Redfield	5	129
6 THE WEDDING, by Julie Carver	12	4
7 THE TENTH INSIGHT, by James Redfield	6	11
8 FALLING UP, by Shel Silverstein	4	15
9 EXCLUSIVE, by Sandra Brown	6	13
10 HOW STELLA GOT HER GROOVE BACK, by Terry McMillan	7	14
11 LILLY WHITE, by Susan Brown	10	5
12 GODS AND GENERALS, by Jeff Shafer	9	8
13 PRIMARY COLORS, by Anonymous	11	23
14 MOONLIGHT BECOMES YOU, by Mary Higgins Clark	17	3
15 CADILLAC JUKED, by James Lee Burke	14	3
NONFICTION		
1 UNLIMITED ACCESS, by Gary Aldrich	1	5
2 THE DILBERT PRINCIPLE, by Scott Adams	2	16
3 RAD AS I WANNA BE, by Dennis Rodman with Tim Lincecum	4	14
4 OUTRAGE, by Vincent Bugliosi	3	9
5 UNDAUNTED COURAGE, by Stephen E. Ambrose	5	24
6 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Grisham	6	120
7 EMOTIONAL INTELLIGENCE, by Daniel Goleman	7	46
8 THE AWAKENING HEART, by Betty I. Eide	11	7
9 DOMINIQUE MOORE: AN AMERICAN CHAMPION, by Dominique Moore as told to Steve Woodward	15	2
10 IN CONTEMPORARY, by Christopher A. Padden	9	20
11 THE CHOICE, by Bob Woodward	8	6
12 NO SHORT NO SHOES, NO PROBLEM, by Jeff Foxworthy	10	12
13 HOW COULD YOU DO THAT? by Laura Schieffelin	13	28
14 PARTNERS IN POWER, by Roger Morris	12	8
15 JACK AND JACKIE, by Christopher Andersen	14	6
ADVICE, HOW-TO AND MISCELLANEOUS		
1 SIMPLE ABUNDANCE, by Sarah Ben Brundage	3	20
2 MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	2	169
3 THE ZONE, by Barry Sears with Bill Lewman	1	22
4 THE SEVEN SPIRITUAL LAWS OF SUCCESS, by Deepak Chopra	4	68

## REPUBLIC OF BOLIVIA

MINISTRY WITHOUT PORTFOLIO  
RESPONSIBLE FOR CAPITALIZATION

CALL FOR INTERNATIONAL PUBLIC BIDDING FOR THE SELECTION  
OF PRIVATE PENSION FUND ADMINISTRATORS (APFs)  
REF: MC/AFP-01/96

FIRST STAGE OF THE BIDDING  
FIRST CALLTERMS OF REFERENCE FOR THE PRESELECTION  
ON THE BASIS OF MERIT AND ANTECEDENTS

The Ministry without Portfolio Responsible for Capitalization of the Republic of Bolivia (the "Ministry"), according to that established in law 1544 of 21 March 1994 (Capitalization Law) and law 1178 of 21 July 1990 (SAFCO Law), their respective regulations and other legal applicable norms in conformity with Bolivian legislation, calls for international Public Bidding (the "Bidding") for the Selection of Private Pension Fund Administrators (APFs).

The Bidding will encompass a first stage of preselection on the basis of merit and antecedents and a second stage of economic bids.

For the purposes of the Bidding, Bidder will be understood to be those natural or juridic persons that individually or in consortium participate in the first stage of the Bidding. The Preselected Bidders will be those Bidders that have been preselected in the first stage and will be able to participate in the second stage of the Bidding.

This call will permit the identification of the Bidders that will participate in the preselection in the first stage of the Bidding and that subsequently will have the right to submit economic bids in the second stage.

The rules for the first stage of the Bidding are contained in the Terms of Reference to be issued by the Ministry.

The companies that responded to the publication with expressions of interest will receive the Terms of Reference issued by the Ministry from 16 August 1996 and must accredit their authorized agents in order to be considered Bidders.

The natural or juridic persons that, individually or in consortium, wish to receive the Terms of Reference for the first stage of the Bidding should apply in writing to the Ministry with a description of their antecedents in administration of pensions and investment portfolio management between 14 & 21 August 1996. Said applications should be addressed to:

Ministerio sin Cartera Responsable de Capitalización  
Ref: MC/AFP-01/96  
Avenida Mariscal Santa Cruz  
Centro de Comunicaciones La Paz  
Piso 17  
La Paz - Bolivia

Consultations about this call can be forwarded to the above address or to telephone (591 2) 356738/9 and facsimile (591) 811 2823/2868, specifying the Bidding reference.

The date for submission of merit and antecedents of the Bidders will be specified in the Terms of Reference.

La Paz, August 1996.



## INTERNATIONAL

# As Vowed, India Vetoes Ban on Nuclear Testing

By Barbara Crossette  
New York Times Service

UNITED NATIONS, New York — Rejecting pleas from the United States and other nuclear powers not to block consensus on an international treaty banning nuclear testing, India formally vetoed the pact Tuesday, effectively derailing more than two years of negotiations in Geneva and forcing supporters of the treaty to find another way to have it adopted.

Diplomats are concerned that among the victims of the standoff with India will be the 61-nation standing Conference on Disarmament, a UN body through which all major weapons agreements have been negotiated. The United States had hoped until this week that India would not hold out against the rest of the world in opposition to the treaty.

"Somehow people don't seem to believe what we say when we say it," India's negotiator, Arundhati Ghose, said after telling the conference that the treaty as written was unacceptable because New Delhi believes it tries to coerce its signature. India also wanted the pact to set a timetable for the elimination of existing weapons.

The United States had balked at rewriting the provision that led to the Indian veto, which requires all five declared nuclear weapons powers — Britain, China, France, Russia and the United States — and three countries assumed to have clandestine programs — India, Israel and Pakistan — to sign and ratify before the treaty could come into force. Thirty-six other nations with nuclear reactors also must sign.

But Secretary of State Warren Christopher had assured India in a letter two weeks ago that the United States would not allow sanctions against India for its refusal to sign the accord, known as the Comprehensive Test Ban Treaty, when a review of the pact's progress takes place in three years.

The angry leader of the U.S. negotiating team, Stephen Ledogar, called India "insincere" on Tuesday and said that its stand in Geneva was a cover for its determination to keep its nuclear weapons option. India tested a nuclear device in 1974 and has an active missile development program.

Mr. Ledogar vowed that a way would now be found "for the rest of us to do what we have to do." The United States is expected to lead a campaign to take the treaty directly to the 185-member

General Assembly for approval in the fall, despite fears that other nations might introduce additional problems. The assembly could pass it by majority vote.

Miss Ghose said Tuesday that "the U.S. is within its rights to take it wherever they wish."

"But it will not be a conference document," she said. "It will be their own."

Stephen P. Cohen, director of the arms control program at the University of Illinois and an observer of Indian nuclear policies since the 1960s, said that India never had any intention of allowing outsiders to restrict its nuclear programs.

"Both the United States and India made very serious misjudgments and miscalculations," he said. Washington, he said, had assumed, because India did not try to block the indefinite extension last year of a treaty banning the proliferation of nuclear weapons and technology, that the Indian complaints about the treaty "were not serious."

"The U.S. has not offered India a sweetener of any sort as it did, for example with North Korea," he said, adding that the present government in

India is weak enough to be dumped on a foreign-policy issue and could not be seen to give in to American pressure.

"If the U.S. had not gone into this with the arrogance of power and if the Indians had been more honest with us and others about their real security objections, perhaps a compromise could have been worked out," Mr. Cohen said.

India, which was humiliated in a short, sharp border war with China in 1962, has been saying since 1964, when China successfully tested a nuclear weapon, that it does not feel safe. When the Soviet Union collapsed, India lost its protector in the international arena, heightening fears of being alone and vulnerable.

Sumit Ganguly, professor of political science at Hunter College in New York, said that some mystery still remains about why India shifted its positions since 1993, when it joined the United States in calling for the treaty that it is now blocking.

"It can't be purely domestic politics, which leads me to think that in 1993 the government of India did not seriously believe that the CTBT was about to go through, that it was a good rhetorical position to adopt," Mr. Ganguly said Tuesday.



**CROSSING CULTURES** — A Palestinian woman in a West Bank village Tuesday crocheting a yarmulke, or Jewish skullcap, for which she will be paid about \$1.60. A Palestinian contractor will sell the yarmulke in Israel.

## PALESTINE: Resentment of Arafat and Fear of the Police's Tactics Are Growing in the West Bank

Continued from Page 1

West Bank cities — shored him up.

Because Mr. Arafat remains the icon of Palestinian nationalism, and because fear outweighs anger among most of his critics, it is too soon to suggest that he is losing his grip on power.

But that is the ultimate question among Palestinian and Israeli analysts alike, and it is fed by scenes of street defiance that, although isolated until now, recall the *Intifada*, the uprising against Israeli Army rule.

"We are a nation that just got rid of occupation, and we are practicing occupation on ourselves," said Husam Khader, a young legislator elected with Mr. Arafat in January, and one of the few Palestinians willing to put his name to that oft-said aphorism.

Even Mr. Khader, a local hero who is among the boldest of Mr. Arafat's critics, had immediate second thoughts. "Add, 'In a way,'" he said. "The comparison is forbidden."

Opinion polls and street interviews suggest that it is commonplace, nevertheless. "It's them

against us," said Khalil Shikaki, a political scientist describing the estrangement he is beginning to measure in surveys by his Nablus-based Center for Palestine Research and Studies.

"It's corruption on a grand scale. It's excessive use of force. It's the absolute marginality of the judiciary. Things have not been improving. Things have been getting worse."

Mr. Arafat, Mr. Shikaki added, "is misreading, I think, the mood in the street."

"When people no longer see a difference between him and the occupation, it seems to me there's

something extremely wrong in his assessment of reality," he said.

More Palestinians now agree than disagree with the statement that "people today cannot criticize the Palestinian Authority without fear," the polls indicate.

A majority asked told pollsters that freedom of expression is diminished now, or no broader, than it was under Israeli rule.

Mr. Arafat's fundamentalist opponents, much reduced in recent months by a program of mass arrests, are showing new vigor.

Hamas, the Islamic Resistance Movement, has long been divided,

with one faction favoring accommodation with Mr. Arafat and another urging confrontation. The latter issued a leaflet recently, its first such in a long while, proclaiming "the Tulkarm and Nablus incidents the beginning of a popular intifada against an authority that has sold itself to the occupier."

On the face of it, there is little new in the reasons expressed for estrangement from the Palestinian self-rule authority: Mr. Jumayil was at least the eighth prisoner known to have died in Palestinian police custody. But it is growing harder to see the police abuse as isolated.

## New Cities Where FBI Wants to Set Up Shop

Washington Post Service

WASHINGTON — The FBI wants to increase the bureau's overseas presence from its present 70 special agents in 23 nations to 129 special agents in 46 nations by the year 2000.

The FBI now has offices in: Tokyo, Hong Kong, Canberra, Bangkok, Manila, Ottawa, Mexico City, Panama City, Bridgetown (Barbados), Caracas, Bogota, Santiago, Montevideo, London, Brussels, Bonn, Madrid, Rome, Athens, Moscow, Paris, Bern and Vienna.

It wants to add offices in: Copenhagen, Tallinn (Estonia), Kiev, Warsaw, Prague, Bucharest, Lima, Brasilia, Buenos Aires, Seoul, Beijing, Singapore, Lagos, Pretoria, Islamabad, Riyadh, Tashkent (Uzbekistan), Almaty (Kazakhstan), Tbilisi (Georgia), Tel Aviv, Ankara, Cairo and New Delhi.

## FBI: Agency Expands Abroad

Continued from Page 1

collecting intelligence outside U.S. borders.

Congress generally has been sympathetic to the FBI plan, which the bureau and the State Department jointly submitted June 5 to the Judiciary committees of the House and Senate in a little-noticed 52-page report.

Lawmakers already have approved the opening of the first of the new offices this year in Beijing and three cities — Islamabad, Tel Aviv and Cairo — that the FBI director, Louis J. Freeh, recently called "critical centers where the United States' interests, particularly in the counterterrorism area, are greatly at risk."

The expansion plan is slated to cost about \$80 million through the year 2000, or more than double what the State Department

spends each year on the salaries of all its top diplomats. Although many State Department officials

privately question the value of the plan, they say their objections have been swept aside by the administration's desire in this election year to bolster its crime-fighting and counterterrorism credentials.

In Tel Aviv, the FBI says, it plans to work more closely with Israeli authorities on bombings such as those that killed two Americans last February, as well as to try to combat organized crime operations run by Russians in Israel.

In Islamabad and Cairo, the principal FBI task will be to track down suspected terrorists and work on narcotics, counterfeiting and white-collar crime.

The post in Beijing will focus on criminal groups linked to Chinese in the United States.

## RATES: Europe Awaits High-Stakes Decision

Continued from Page 1

late next year. Anticipation that the Bundesbank can brighten the overall outlook center on expectations that "a small cut could be the first of a series that could add up to a dramatic change" in the overall climate, according to Fred Irwin, an executive at Citibank in Frankfurt.

The Bundesbank has often disappointed expectations, so European officials were loath Tuesday to discuss their governments' hopes in detail.

But several pointed out that there are new domestic pressures favoring a rate cut — notably from German industrialists anxious to see the Deutsche mark continue dropping against the U.S. dollar, a benefit for Germany's exports.

A move by Germany to start shaving interest rates would be a political gift to leaders straining to cut spending without triggering social

unrest in most European countries.

Lower German rates would help Rome by strengthening the Italian currency and thus helping hold down inflation. Spain and France might be able to lower their own rates in tandem, bankers said.

Falling interest rates reduce government borrowing costs, making debt lower than it would otherwise be.

In the private sector, companies are encouraged to borrow and invest in modernizing equipment, expanding businesses and creating jobs.

The possibility of reductions — even a single percentage point over several months, which is thought to be a maximum cut since German rates are already at historic lows — could significantly improve the prospects for Bonn and Paris to reach the targets next year qualifying them for monetary union.

"We're running out of time for governments to meet the Maastricht criteria, so people are watching the Bundesbank with particular interest this week," said Paul Horne, chief international economist at Smith Barney in Paris.

If German rates start to drop, he said, it should embolden France's central bank to cut rates, perhaps even slightly faster than Germany. That should stabilize the French franc.

A strong speculative threat looms for the franc next month, when Prime Minister Alain Juppe is due to announce an austere budget as the government tries to catch up in its deficit-cutting program despite the failure of predicted growth to materialize so far this year.

The French government already faces a threat of protest actions by public-sector unions when French

people return from their summer holidays.

For markets and voters to get a sense of an improving European outlook, according to Paul Donovan, chief international economist at UBS in London, the Bundesbank needs to "engineer a cut in interest rates that keeps expectations that more cuts are coming."

Too sharp a drop, he said, "would suggest a one-time adjustment, but a small cut would send a powerful signal about a new trend."

Other bankers agreed that the Bundesbank was likely to want to see the German economy digest an initial cut before lowering rates further.

Rate-cut expectations were fueled Tuesday when the German central bank reported that money-supply growth slowed last month, a sign of low inflationary pressure. The Bundesbank said that annualized growth in M-3 money supply, its main policy guide, fell to 8.6 percent from 9.3 percent in June.

Unlike the U.S. Federal Reserve, which sets monetary policy partly with an eye to the nation's overall economic health, the Bundesbank has a narrow mandate to fight inflation and safeguard the value of the mark.

German officials, wary of infringing the central bank's independent status, never comment publicly on the government's hopes about rates.

But Chancellor Helmut Kohl had an opportunity to convey his views privately on Sunday when he attended the 65th birthday party of Hans Tietmeyer, the chairman of the Bundesbank council.

Domestically, with 4 million Germans out of work amid an anemic recovery, a rate cut was long overdue, a top official of the opposition Social Democrats said in a statement before the Bundesbank meeting.

## FED: Inaction on Rates Reflects Slower Growth

Continued from Page 1

The question concerning the Fed was whether it needed to act to moderate that growth or whether the economy was making the necessary correction on its own.

The Fed's chairman, Alan Greenspan, had told Congress last month that he expected economic growth to slow to a more sustainable rate in the second half. But he said the Fed needed to remain "vigilant" as the inflation picture remained unclear.

The concern was that growing consumer demand and industrial activity could squeeze an increasingly tight labor market, leading to increased wages that businesses would pass on as higher prices.

Until the beginning of this month, many economists believed the Fed would act to slow growth. Recent economic data, however, have pointed to signs of a slowdown.

In the latest such report, the government announced Tuesday that the U.S. trade deficit fell by more than 20 percent in June as import levels dropped. This was seen to reflect a slackening of domestic demand as the U.S. economy slows. (Page 11)

There have also been signs of a slowdown in consumer spending, a peaking of housing activity, and a lull in manufacturing.

Inflation has remained at low levels. The Commerce Department's implicit price deflator for the gross domestic product, a closely followed measure of inflation, rose at a 1.8 percent rate in the second quarter after rising at 2.2 percent in the first.

The Fed has been seeking a delicate balance between restraining inflation and nudging economic growth closer to a 2.5 percent annual rate.

Mr. Dole's strategists have said the country can maintain

higher growth rates.

But administration officials say the economy has grown robustly and incomes have been rising without any worrying signs on inflation, an outlook, Labor Secretary Robert Reich said earlier, that should be reassuring both to "Main Street and to Wall Street."

The 4.2 percent economic growth in the three months ended June 30 was the fastest rate in two years. For all of last year, the economy expanded by 2 percent.

For now, businesses appear to be absorbing upward pressure on wages, not passing them on to consumers. Job growth is expected to continue, though, adding to the wage pressure and leaving open the possibility of a Fed rate increase in the months ahead.

"The July data pretty much confirmed it was a slow month," Stuart G. Hoffman, an economist at PNC Bank Corp. in Pittsburgh, told The Associated Press. "But things already have started to pick up." He said he believed that "the hike in rates has been delayed, rather than eliminated."

## ARMS: Russia Is Main Seller

Continued from Page 1

third place. While the report offered little analysis of the strategic implications of these shifts among arms sellers, it made it clear that some countries are so eager for their share of a shrinking international arms market that they may be selling destabilizing weapons, including ballistic missiles, to developing nations.

The report singled out China as a country that has "demonstrated its readiness to sell such weapons to any state that sought them," even if that meant violating international accords on arms transfers. In recent years, China has sold missiles to Iran, Pakistan and Saudi Arabia.

The report defined the de-

veloping world as all nations except the United States, Russia, Western Europe, Canada, Japan, Australia and New Zealand. The developing nations, it said, accounted for slightly more than half of all arms purchases worldwide last year.

The report's author, Richard Grimmett, said the sharp drop in weapons sales to the developing world reflected the end both of the Cold War and of a period of rearmament in the Middle East after the 1991 Gulf War.

"As competition over a shrinking international arms market intensifies, it is likely that suppliers such as France, Russia and the United Kingdom may routinely shift in their rankings relative to one another and to the United States," the report said.

## Aborigines Again Protest Australian Budget Plan

Compiled by Our Staff From Dispatches

CANBERRA — Aborigines burned an Australian flag and clashed with the police Tuesday in a second day of protests against the budget as the new conservative government delivered a fiscally tough program to Parliament.

About 150 Aborigines attacked the police with bricks, bottles and stakes in a 20-minute confrontation.

Five officers were injured, the police said, while organizers of the protest said 10 Aborigines were injured.

Aborigines make up 300,000 of Australia's 18 million people. They are the country's most disadvantaged group and have poor

health, education and housing standards.

The budget slashed 3.9 billion Australian dollars (\$3.1 billion) from hundreds of government programs, centering largely on aboriginal affairs, universities and programs to help the jobless.

Many details of the cuts were made public before the budget presentation Tuesday.

On Monday, a rally of 35,000 protesters turned violent when members of labor unions, Aborigines and students stormed Australia's Parliament House.

The Australian Broadcasting Corp. reported that more than 30 people had been arrested. (Reuters, AP)



TOMORROW  
HEALTH  
SCIENCE



Peter Hilton as Bruce Granit and Kathryn Evans as Lily Garland in a scene from "On the Twentieth Century."

## They're Singin' in the Train

By Sheridan Morley  
International Herald Tribune

LONDON — "On the Twentieth Century" has always been a Broadway musical with problems. Based on the Hecht/MacArthur stage hit of 1932, filmed a year later with John Barrymore and Carole Lombard, the show enjoyed more of a convulsive stagger than a run in the New York season of 1978 and did not originally fare much better over here, despite a magical jazz-ballad score by Cy Coleman and a witty, elegant, knowing book and lyrics from Comden and Green.

The story is of a wily old producer (loosely based on an amalgam of Jed Harris and David Belasco), to which add the shades of Barrymore himself and you begin to see why most contemporary actors find the role unplayably larger than life who feigns death aboard America's most famous coast-to-coast train in order to convince his biggest star to return to the fold.

In all crucial details, Jerry Herman did this plot as "Mack and Mabel." What "On the Twentieth Century" has extra is the urbane cross-referencing talents of Comden and Green who, having written both "Singin' in the Rain" and "The Bandwagon" for Hollywood a decade earlier, knew a thing or two about how to ring the changes on backstage jokes.

This new revival, on the minuscule stage and budget of the Bridewell, gives us the show in close-up for the first time and it is a revelation. No longer swamped by huge sets or orchestrations, what emerges is a briskly satirical musical farce, complete with the madwoman investor and a wondrous central performance by Michael Harbour as the over-the-top showman, flanked by Martin Callaghan and Stephen Matthews as

his sidekicks, forever yearning, we feel, to burst into a fast chorus of "Brush Up Your Shakespeare."

Still hobbled by two of the worst closing numbers in the postwar history of Broadway, this stripped-down-to-basics revival nevertheless has a great deal to recommend it, not least the precisely manic portrayals of the nutty lady from Josephine Gordon. With the British premiere of "Romance, Romance" still

### LONDON THEATRE

to come, this summer season of lost musicals at the Bridewell is proving one of the hotter delights of a hot August.

Meanwhile, the impresario Bill Kenwright has intelligently taken Shaftesbury Avenue and turned it into a kind of seaside repertory circuit.

At the Lyric we have yet another of his singalong songbooks, one devoted to the infinitely amiable Gerry Marsden. "Ferry Cross the Mersey" has a distinct advantage over similar celebrations like "Buddy," "Jolson" and "Elvis" in that it can still deliver its star stage center. Marsden and his Pace-makers may have lost a little of their early 1960s verve (indeed the very name of the group now sounds ominously like a medical threat), but Gerry himself drifts amiably through his hit, plus a few equally gentle borrowings from the more accessible highlights of the Beatles and Presley catalogues.

We late teenagers of the early '60s who couldn't bear the gloomy pretension of the Beatles, nor the bland inanities of Cliff Richard and Tommy Steele and Cilla Black, duly finished up at Marsden's door. He was middle of the road, mid-Atlantic and a sort of all-purpose Liverpool compromise.

Thirty years later there he still is, massaging "You'll Never Walk Alone" while his equally aging audi-

ence wave their arms about in recognition of a time when football was not always equated with hooligans or stadiums collapsing.

"Ferry Cross the Mersey" is a wonderfully nostalgic treat. Marsden now even wears a hearing aid, whether as a prompt for his own somewhat inane lyrics, or because of the ravages of late middle age, we shall never know. But his show is shot through with a cheery dismissal of '60s rock legends ("as a drummer few could touch him, and as a human few would ever have wanted to") and for just that reason it's the most joyously cynical show in town, especially for those of us who no longer have the record players on which to celebrate Marsden's old LPs.

Next door at the Apollo, Kenwright has a revival of that old pre-"Sleuth" thriller "Dial M for Murder," creaking along to its famous climax. (Will the killer find the key under the carpet? Who, in Edmund White's famous phrase, cares who killed Roger Ayckroyd?) The cast, including the gorgeous Katie Rabbett, manage commendably to keep straight faces throughout.

Frederick Knott's thriller first opened in 1952, a few months after "The Mousetrap," and was famously if rather statically filmed by Hitchcock with Ray Milland a few months later. Nowadays its snobbery-with-violence plot (ex-Wimbledon champion bribes crook to kill wife) is more interesting as a social document of the period, complete with cut-glass glasses and strong overtones of Katigian's obsession with displacement and suppressed sexuality.

Just don't go in search of too many thrills, lest all from this invariably and perhaps inevitably static Peter Wilson staging. Knott went on to "Until Dusk" and several screenplays until his world was demolished by the bulldozer that was "Sleuth."

## Fringe Benefits Galore

By Alan Riding  
New York Times Service

EDINBURGH — The 50th Edinburgh International Festival began with a hiccup last week when a mechanical failure forced the last-minute cancellation of "Elsinore," Robert Lepage's one-man multimedia reworking of "Hamlet." Brian McMaster, the festival's director, was shaken; Lepage apologized profusely, and British newspapers made sure the embarrassment did not go unnoticed.

Yet it was a measure of the depth and breadth of this year's anniversary festival that the loss of even a major theatrical production did not really matter. The annual festival of theater, music and dance, which runs through Aug. 31, was soon back in full swing, with a dizzying array of performers assuring both quality and diversity.

The only nod to the past was that, as in 1947 when the festival was created to heal the divisions of war, the program began with a performance of Schoenberg's "Survivor From Warsaw" and Beethoven's Ninth Symphony. Otherwise McMaster has remained true to the festival's original mandate of displaying the best of contemporary creativity.

Several festival favorites are back, among them Robert Wilson, Mark Morris, Pina Bausch, the Netherlands Dance Theatre and the Martha Graham Dance Company. The music program includes concerts by the New York Philharmonic and the Cleveland Orchestra.

Yet, as always, what makes Edinburgh such an exciting place in August is the parallel festival known as the Fringe. The official program provides a cultural feast, but it is the Fringe that turns the festival into a fiesta. And it is the Fringe's emphasis on theater that leads theater to dominate the Edinburgh experience.

During this year's Fringe, 646

companies comprising some 9,000 amateurs and professionals will put on about 14,000 performances of 1,300 different shows at 200 locations. The range of talent is equally vast, from high school and college students to members of the Royal National Theatre.

In the official theater program, with the cancellation of "Elsinore," the spotlight quickly fell on Robert Wilson's production of "Orlando," which he and Darryl Pinckney adapted from Virginia Woolf's novel.

Previously performed by Ute Lemper in German and Isabelle Huppert in French, the one-woman play has the English actress Miranda Richardson in the role of Orlando in this production at the Royal Lyceum Theatre.

Keeping close to the novel, which Woolf dedicated to her lover, Vita Sackville-West, Richardson's Orlando travels 400 years in two hours, starting as an Elizabethan courtesan, falling in love with a Russian aristocrat and becoming a British envoy to Turkey before turning into a woman who, by the 20th century, views men and women as equally appealing objects of her passion.

Richardson's performance was heartily applauded, but Wilson's minimalist production, with dramatic lighting largely replacing anything resembling decor, was received coolly by critics.

Wilson will have a fresh chance to woo the critics later this month with his production of Virgil Thomson's "Four Saints in Three Acts," the same Houston Grand Opera production that was recently seen in New York at the Lincoln Center Festival '96.

On the Fringe, the Traverse Theatre demonstrated once again that it has the best record for presenting interesting new plays and performers. This year's crop includes two of the Traverse's own pro-

ductions of new plays by Scottish authors, "Shining Souls" by Chris Hannan and "The Architect" by David Greig.

Directed by Ian Brown, the Traverse's outgoing artistic director, "Shining Souls" is a touching comedy set in a poor Glasgow district where Ann is preparing to marry Billy. The problem is that Ann has two boyfriends called Billy and still has not picked her bridegroom. Complicating the picture are oddball characters, including Charlie, a ne'er-do-well con man, and Prophet John, a street-corner babbler. Their worlds are troubled, but humor wins out.

Hannan's achievement is to combine hilarity with heartache, to detect glimpses of spiritual grace in lives of desperate deprivation. "Charles Spencer" wrote in The Daily Telegraph. It would be surprising if this production does not have an afterlife, either in the West End or on tour in Britain.

"The Architect," directed by Philip Howard, the Traverse's new artistic director, is far bleaker. Leo Black, a middle-aged architect, is asked to sign a petition calling for the demolition of a run-down public housing high-rise. Here the twist is that, 20 years earlier, Black had designed "this new vision of housing." And while he contemplates his failure as an architect, his own family falls apart.

Most Fringe productions come from within Britain; an exception was "S.N.A.G.," or Sensitive New-Age Guy, a one-man play by Tobias Learner, an Australian, and performed by Mark Hadlow, a New Zealander.

The story of a married man forced to return to bachelorhood when his wife runs off with his sister, it is memorable for Hadlow's hilarious and poignant performance. Hadlow, New Zealand's Entertainer of the Year for 1996, is one of the discoveries of this year's festival. The next 10 days may produce more.

## At Last, All the Globe's a Stage

By Fred Barbash  
Washington Post Service

LONDON — In 1949, an American actor just arrived here asked a London cabbie to take him to Shakespeare's Globe Theatre. Surely, he thought, it must exist, if not the original itself, at least a working replica. The Globe, after all, was the most famous theater in the world.

But Sam Wanamaker found only a plaque in a run-down neighborhood on the South Bank of the Thames: "Here stood Shakespeare's Globe," it said.

His disappointment soon became an obsession, the obsession a plan, and the plan his life's work. Today, three years after his death, the plan becomes a reality when an honest-to-goodness Globe Theatre, as close to the original as scholars and architects could devise, opens its "prologue" season with a production of "The Two Gentlemen of Verona."

It won't be exactly as it was in 1613, when the first Globe burned down.

The thatched roof — the first permitted in London since London's Great Fire of 1666 — has been treated with fire-retardant chemicals. Modern sprinklers jut from the roof, every few feet. It has bathrooms and exit lights.

The seating capacity is less — 1,500 versus 3,000 — to allow for the increased bulk of modern-day theatergoers. And the cheapest ticket, a penny in Shakespeare's day, will be the equivalent of about \$7.00.

That price will get you a place in the pit — just below and in front of the stage — where the "groundlings" stood in the 1500s and heckled Shakespeare's actors. It will be covered with hazelnut shells, which carpeted the pit then and will carpet it again.

About \$24 will buy a seat on the reserved benches in the galleries, from where the affluent of the day looked down on the poor. The only seating area in existence then that isn't now is the "Lord's Rooms," directly behind and above the stage, which is just as well since you wouldn't see the performance there.

In those days, the high and mighty didn't care. They cared little about seeing; they were the original "came to be seen" set.

THE Globe won't be entirely complete until 1997, but the show will go on this week with a resident company — in part to raise more money and in part to test the stage, a temporary structure that will be modified according to results.

Whether or not many people will pay to see Shakespeare in the new Globe is another question. Rumors to the contrary, the

sun is often strong in London and many theatergoers may bake in it during matinees. (A few patrons fainted in last summer's dry run.) Others will surely get rained on.

Some, accustomed to the plush seats of the West End theaters or Broadway, may find the hard oak benches, well, hard. (The new Globe will rent you a cushion if you like.)

How many people will want to be groundlings — standing through two- and three-hour plays — also remains to be seen, though Foster is certain it won't be as uncomfortable as it was in 1599, when the first Globe was built. Modern groundlings, she hopes, will bathe. They didn't then, which is why they were also called "stinkers."

## Brass (and Gold) in Brandenburg

By Paul Moor  
International Herald Tribune

BERLIN — The German state of Brandenburg surrounds Berlin, and the area around the city, known as the Mark Brandenburg, contains some of the most beautiful landscape in central Europe — richly punctuated with lakes, castles, manor houses, old churches and other architectural gems.

Until the Berlin Wall's breaching in 1989, that area remained out of bounds for 44 years to anyone not in possession of East German papers. Since then, many Germans have energetically set about discovering or rediscovering its beauties.

An admirable Berlin organization, Brandenburgische Sommerkonzerte, offers a first-rate series of weekend concerts, usually in the late afternoon, combined with expertly guided visits to the main local sights.

Last weekend offered two performances of a program by Dresden's Ludwig Gütler Brass Ensemble. Even before the Berlin Wall disappeared, record collectors throughout the world knew Gütler as one of the world's finest trumpet virtuosos. He recruits his ensemble's 10 other players from Dresden's two top-flight symphony orchestras.

The first performance took place in a church about 65 miles (105 kilometers) northeast of Berlin, in the charming cobblestoned town of Templin, one of the few places in this part of Europe with a city wall (14th century and earlier) still intact. A Sunday repeat performance moved westward to Bad Wilsnack's Church of St. Nicholas. Works performed ranged from the early 16th century

(Tielman Susato's "Five Dances") to the 20th (Rostislav's "Victor Ewald and the erstwhile German Democratic Republic's Bernd Franke).

Before an overflow audience the church's effulgent acoustics enhanced the glorious sound of these 11 virtuosos, whose range of timbre — now brazen, now mellow — made every work sound like burnished old gold.

Symphony musicians the world over regard brass players as the bullboys and rowdies of the orchestra. That stereotype had little in common with the suave, tuxedoed musical masters whom Gütler — a sterling musician as well as a brilliant musician — has gathered together for performances and recordings.

Certainly finding good works for such an esoteric group presents problems and involves inevitable compromises. The program elegantly skipped over the matter, but Anton Bruckner almost certainly composed his "Ave Maria," "Antiphon" and "Ecce Sacerdos" not for brass instruments but for chorists. In any event, these men played them masterfully, and they sounded tailor-made for them.

The seven works, including those by William Brade, Alfonso Ferrabosco and Daniel Purcell, ran a certain qualitative gamut, but all proved well worth hearing. Franke (born 1959) composed his six "Chagall Impressions" specifically for Gütler's ensemble. He became involved with the group in 1982, and his expertise in composing for them — definitely contemporary, but not problematically so — shows it. Deplorably, neither the program nor Gütler's introductory remarks provided us with any inkling of which

Chagall pictures Franke had in mind.

This series maintains an exceptionally high standard — for instance Sanbus Sondeck's top-notch Lithuanian Chamber Orchestra with Igor Oistrakh as soloist, the outstanding Windsbacher Knabenchor, composed of boys and men, in oratorio with the Austrian-Hungarian Philharmonic, etc.

The Warsaw Chamber Opera earlier performed Mozart's "The Magic Flute" in a rare

architectural jewel, the little Court Theater in the magnificent Potsdam palace. Frederick the Great called Sanssouci.

The current series runs through August, with individual concerts continuing as late as Dec. 1. Anyone interested should check on ticket availability with Brandenburgische Sommerkonzerte at Katharinenstrasse 8, D-10711 Berlin, telephone (49-30) 8969-0630, fax 8969-0640.

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GERMANY	D. AL. 700	38	210
GREAT BRITAIN	£	210	65
GREECE	DR. 90,000	29	27,000
IRELAND	£ IR. 230	37	68
ITALY	LI. 110,000	38	153,000
LUXEMBOURG	L. FR. 14,000	36	4,200
NETHERLANDS	FL. 790	42	240
NORWAY	N. KR. 3,500	40	1,050
PORTUGAL	ESC. 51,000	37	15,500
SPAIN	PTAS. 35,000	33	16,500
SWEDEN	S. KR. 3,500	39	1,000
SWITZERLAND	S. FR. 410	39	185
REST OF EUROPE & CB	\$ US. 485	40	145
CB	\$ US. 750	35	225
UNITED STATES	\$ US. 350	34	115

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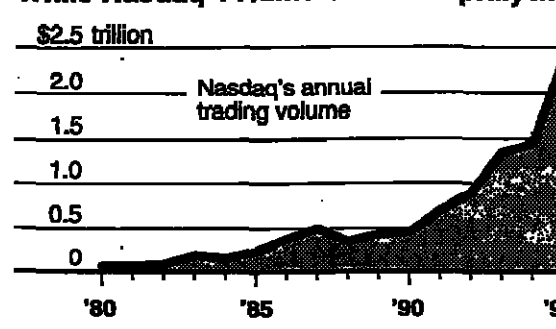
## Griffin Gaming To Be Merged Into a Unit of Sun Hotels Ltd.

**KRF Global**  
NEW YORK — Sun International Hotels Ltd. and Griffin Gaming & Entertainment Inc. said Tuesday they had made a definitive agreement to merge through an exchange of shares.  
Under the agreement, Griffin Gaming would be merged into a wholly owned subsidiary of Sun International. Each Griffin Gaming common share would be exchanged for 0.4324 of an ordinary share of Sun International.  
Sun International's ordinary shares closed at \$48.125 a share, down \$3.625, implying a purchase price of \$20.81 for each Griffin Gaming common share.  
The exchange ratio would be adjusted upward if the average share price of Sun International's ordinary shares fell below \$47.41, so that, except under certain circumstances, each Griffin Gaming common share would be exchanged for at least \$20.50 of Sun International ordinary shares.  
Griffin Gaming has 9.4 million common shares outstanding on a fully diluted basis, giving the merger a total equity value of around \$196 million.  
Directors of both companies have approved the merger, which is subject to certain conditions, including approval by the New Jersey casino regulators and by Griffin Gaming and Sun International shareholders.  
The transaction is expected to be tax-free to holders of Griffin Gaming shares.

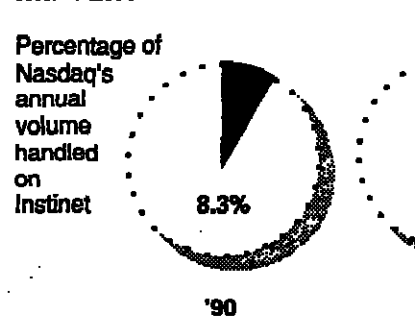
### To Our Readers

"The Trib Index," previously found in this position, appears instead in a new, tabular form with other global market indexes in the World Stock Markets section on Page 13. The new design contains the same Trib Index information, compiled by Bloomberg Business News, as in the past — including the world, regional and industrial indexes — but in a more concise, easy-to-read format. It will appear in the World Stock Markets section every Tuesday through Saturday.

### While Nasdaq Volume Grows Rapidly ...



### ...Instinet Handles More of It



## Nasdaq Smartens Up Its Image

By Floyd Norris  
New York Times Service

NEW YORK — The New Nasdaq stock market, arising from a price-fixing scandal that has humiliated both brokerage companies and regulators, is likely to be very different from the one that has promoted itself as "the stock market for the next 100 years" and that grew more rapidly than any other market in the last quarter-century.  
As happened with the New York Stock Exchange in the 1930s after a scandal sent its imperious president, Richard Whitney, to prison, the power of the Securities and Exchange Commission vis-a-vis Nasdaq is likely to be much greater. Both the SEC and the Justice Department concluded investigations of the Nasdaq market recently by saying brokerage firms had illegally conspired to keep profits high at the expense of customers.  
Even before the dust has settled, the outlines of the transformed Nasdaq are emerging:

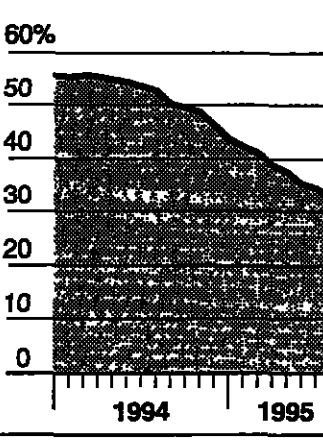
- Nasdaq will shrink, as some companies defect to the NYSE.
- There will be fewer market-makers — brokers who stand ready to buy and sell securities traded on Nasdaq — and profits for those who remain will be lower.
- Spreads, the differences between the posted prices at which market-makers will buy stocks from investors and at which they will sell stocks, will become narrower for many stocks, especially the relatively liquid ones, but will remain the same or even widen for some small and rarely traded stocks.
- Even as investors get better prices, many will be giving up part or all of the

advantage by paying higher commissions. Discount brokers who offered especially low commissions — sometimes even claiming that trades were free — could do so because they made money off the big spreads available in the market. With spreads narrower, profits will fall.  
• Payment for order flow, a dubious business practice in which market-makers pay brokerage firms for sending customer orders their way, will fall.  
The Nasdaq market grew out of the

old over-the-counter market 25 years ago. At first, it was dominated by smaller companies that did not qualify for major stock exchanges.  
But that changed as larger companies, particularly technology concerns, went public with Nasdaq listings and stayed put. In 1982, Nasdaq began to look more like a major stock market by reporting actual trades, rather than only showing bid and asked prices, for its major companies. Ten years later, it extended the practice to all its stocks.

### Spreads Narrow

Percentage of stocks where dealers quoted bid-asked spreads of at least 75 cents. The decline began as criticism intensified, and accelerated after investigations were disclosed. Latest data available.



Still, the differences between Nasdaq and the American and New York stock exchanges remained significant. The exchanges are auction markets, bringing together buy and sell orders from the public. Market-makers, known as specialists, intervene primarily to redress imbalances between buy and sell orders.  
At Nasdaq — a dealer market, as its own jargon describes it — dealers participated in every trade. For public investors, there were effectively two markets, one for buying and one for selling. The public paid the higher, or asked, price when it bought, and it got the lower, or bid, price when it sold. Getting "inside the spread" was all but impossible for most investors.  
The way the Nasdaq market has been structured, there was little incentive for dealers to reduce their spreads. The decision on which market-maker got an order was made by the customer's broker, and the market-maker often paid a rebate of a penny or two a share for the business. Because the market-maker who got the busi-

See STOCKS, Page 12

## China Takes Lead In U.S. Trade Gap

By Robert D. Hershey Jr.  
New York Times Service

WASHINGTON — For the first time, China has surpassed Japan as the largest source of the American trade deficit, a development that could further strain relations with a country that the U.S. government contends unfairly limits access to American products.

This milestone was disclosed by the Commerce Department on Tuesday as it reported a surprisingly large shrinkage of the United States' overall trade gap for June. With a reading of \$8.1 billion in June, down from \$10.5 billion in May, the deficit for the first six months of the year came to 14.2 percent less than in the corresponding 1995 period.  
President Bill Clinton's administration pounced on the results to boast of its efforts to open foreign markets and cut the federal budget deficit — the latter a major determinant of trade flows.  
The figures, said Joseph E. Stiglitz, chairman of the President's Council of Economic Advisers, "show the continuing pattern of improved international performance of the U.S. economy."

But even as the deficit with China climbed in June to \$3.3 billion, or 40 percent of the total American imbalance, Mr. Clinton's administration and analysts were pointing to a slackened pace of growth this year and noting that much of China's statistical prominence reflected production shifts among various countries in East Asia.

At the same time, the American deficit with Japan has diminished sharply, to \$3.2 billion in June from \$5.3 billion 12 months earlier, as that country has emerged from recession.

[Bloomberg Business News reported: For the year, the U.S. deficit with Japan will remain the country's largest trade gap, at more than \$45 billion, compared with a U.S.-China deficit that is likely to be around \$34 billion.]

[Declining sales of Japanese cars in the United States are narrowing the trade gap with Tokyo, while demand for low-priced consumer goods from China is raising imports from that country.]  
[Commerce Secretary Mickey Kantor said America's trade deficit in autos and auto parts with Japan was running 23.9 percent below the level of 1995.]

## CITIC Moves Into New Zealand

Compiled by Our Staff From Dispatches

WELLINGTON — A group that includes China's most prominent international investment company won the bidding Tuesday for government-owned Forestry Corp., sparking a political storm ahead of the Oct. 12 national election.  
China International Trust & Investment Corp., widely known as CITIC, will own 37.5 percent of Forestry Corp., while Fletcher Challenge Ltd. and Brerley Investments Ltd. of New Zealand will own 37.5 percent and 25 percent, respectively. The total value of the bid was 2.02 billion New Zealand dollars (\$1.39 billion). The consortium will pay 1.6 billion dollars and assume 426 million dollars of Forestry Corp. debt.

William Birch, the finance minister, said CITIC's inclusion would help Forestry Corp. "access the Chinese and other Asian markets for New Zealand wood products."  
The government plans to eliminate its

foreign-currency debt with the proceeds. But two opposition parties, both of which have a chance of winning a share of power at the next election, are strongly opposed to it.

The failure to sell to a Maori-backed consortium may also cause problems for the government. A spokesman for tribes of Maori, New Zealand's original inhabitants, that have claims on the land said they would try to get it back. Forestry Corp. manages about 188,000 hectares (464,360 acres) of forests and accounts for about 12 percent of New Zealand's forestry plantations. The government will still own the land.

Joe Tooman, an analyst at New Zealand Guardian Trust Co., said the government could emphasize job creation — Fletcher Challenge said as many as 700 jobs would be created — and the 260 million dollars the consortium planned to invest in a wood-processing plant. (Bloomberg, Reuters)

## MEDIA MARKETS

### USA Today Shakes 'McPaper' Image

By Iver Peterson  
New York Times Service

ARLINGTON, Virginia — Tom Curley was the director of market research for USA Today when Gannett Co. began publishing the paper in 1982. From time to time, he circulated pleading memos showing that sales jumped whenever the national daily put hard news on the front page, instead of the standard stories with happy endings or pictures of children washing their pets.  
Mr. Curley periodically quit the paper because no one listened. Those were the days when USA Today's mixture of color and snappy charts, and its policy of boiling news down to quick bites, made it the joke of journalists. It was McPaper, home of junk-food news.

But now Mr. Curley is USA Today's publisher, and he and his top editor, David Mazzarella, are trying to bring back his old insight that hard news sells. This time, people have to listen.  
Over the past year, the paper has published a string of long investigations that have gained national attention and caused not a little head-scratching. After all, this was the paper that taught hundreds of imitators not only to soup up their color graphics and print huge weather maps but also to reduce news to its most reducible.

"We are trying to be more revelatory and more explanatory," Mr. Mazzarella said. "You've got to explain things to people to bring them back to

your newspaper day after day."

It is not only journalistic idealism that spurs this effort. USA Today is under pressure from top executives to increase its scant and only recently won profitability. To do this, as Mr. Mazzarella suggested, the paper has to stop being the occasional choice of millions of travelers and instead win the day-to-day loyalty of the regular readers that advertisers demand.

Joel Kushins, media director for North America at the ad agency Bozell Worldwide, said USA Today's huge circulation already gave the paper plenty of reach for advertisers. "But when you buy media you want not only to buy reach," he said. "You also want to ensure that you will gain some degree of measurable frequency for your message."

Last year, Mr. Mazzarella created an Enterprise Department, filled by reporters and editors most of whom rotate through for several weeks at a time, to produce the articles that are gradually turning USA Today into what staff members are happily calling "a real newspaper."

There was a three-part series last September demonstrating that bad pilots were evading licensing safeguards, with fatal consequences. Last month, another series reported several instances of children being killed by air bags in automobile collisions, and a series last spring broke the news of Ford Motor Co.'s problems with faulty ignition switches, which led to a recall.

An investigation into the arson fires at Southern churches late in June ran to more than 10,000 words in the first of three installments alone. While most of the news media and the government were treating the fires as evidence of a return to 1960s-style racism, USA Today's case-by-case analysis showed that only a few of the fires were unambiguously products of racist conspiracies.

Some traditional newspaper people are still skeptical. "Having ruined half of the rest of the newspaper industry with three-inch briefs, they're finally going the other way," said Davis (Buzz) Merritt, editor of The Wichita Eagle in Kansas. "I never thought USA Today was a bad idea for what it purported to be, which was a newspaper for travelers who wanted to keep up. But as a regular newspaper, I don't know."

No one argues with USA Today's ability to sell papers. Its Friday edition, which is sold throughout the weekend, passed 2 million average circulation for the first time last winter, while the Monday through Thursday editions have grown to daily circulation of 1.6 million, making the paper second only to The Wall Street Journal.

But 55 percent of USA Today's circulation comes from newsstand sales, and an additional 25 percent is purchased in bulk for free distribution by hotels and airlines. Home delivery, one measure of repeat readership, amounts to about 300,000 daily, a huge volume for many papers but less than 20 percent of USA Today's total.

## CURRENCY & INTEREST RATES

Cross Rates										Libid-Libor Rates										Aug. 20	
	\$	£	DM	FF	Yen	DM	Yen	DM	Yen		Dollar	D-Mark	Swiss	Swedish	French	Yen	ECU				
Australian	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	1-month	5 1/4%	5 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%				
British	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	3-month	5 1/4%	5 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%				
Canadian	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	6-month	5 1/4%	5 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%				
French	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	1-year	5 1/4%	5 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%				
German	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Italian	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Japanese	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Swiss	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Other Dollar Values																					
Currency	Per \$	Per £	Per DM	Per Yen	Per DM	Per Yen	Per DM	Per Yen	Per DM												
Argentine peso	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000												
Australian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Canadian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
French F	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
German M	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Italian L	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Japanese Y	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												
Swiss S	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721												

Source: Reuters, Lloyd Bank  
Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

### Key Money Rates

United States	Clean	Price	Arbitrage	
Discount rate	5.00	5.00	Call money rate	5 1/4%
1-month Treasury bill	5.00	5.00	Prime bank rate	5 1/4%
3-month Treasury bill	5.00	5.00	1-month interbank	5 1/4%
6-month Treasury bill	5.00	5.00	3-month interbank	5 1/4%
1-year Treasury bill	5.00	5.00	6-month interbank	5 1/4%
2-year Treasury bill	5.00	5.00	1-year interbank	5 1/4%
3-year Treasury bill	5.00	5.00	2-year interbank	5 1/4%
4-year Treasury bill	5.00	5.00	3-year interbank	5 1/4%
5-year Treasury bill	5.00	5.00	4-year interbank	5 1/4%
6-year Treasury bill	5.00	5.00	5-year interbank	5 1/4%
7-year Treasury bill	5.00	5.00	6-year interbank	5 1/4%
8-year Treasury bill	5.00	5.00	7-year interbank	5 1/4%
9-year Treasury bill	5.00	5.00	8-year interbank	5 1/4%
10-year Treasury bill	5.00	5.00	9-year interbank	5 1/4%
11-year Treasury bill	5.00	5.00	10-year interbank	5 1/4%
12-year Treasury bill	5.00	5.00	11-year interbank	5 1/4%
13-year Treasury bill	5.00	5.00	12-year interbank	5 1/4%
14-year Treasury bill	5.00	5.00	13-year interbank	5 1/4%
15-year Treasury bill	5.00	5.00	14-year interbank	5 1/4%
16-year Treasury bill	5.00	5.00	15-year interbank	5 1/4%
17-year Treasury bill	5.00	5.00	16-year interbank	5 1/4%
18-year Treasury bill	5.00	5.00	17-year interbank	5 1/4%
19-year Treasury bill	5.00	5.00	18-year interbank	5 1/4%
20-year Treasury bill	5.00	5.00	19-year interbank	5 1/4%
21-year Treasury bill	5.00	5.00	20-year interbank	5 1/4%
22-year Treasury bill	5.00	5.00	21-year interbank	5 1/4%
23-year Treasury bill	5.00	5.00	22-year interbank	5 1/4%
24-year Treasury bill	5.00	5.00	23-year interbank	5 1/4%
25-year Treasury bill	5.00	5.00	24-year interbank	5 1/4%
26-year Treasury bill	5.00	5.00	25-year interbank	5 1/4%
27-year Treasury bill	5.00	5.00	26-year interbank	5 1/4%
28-year Treasury bill	5.00	5.00	27-year interbank	5 1/4%
29-year Treasury bill	5.00	5.00	28-year interbank	5 1/4%
30-year Treasury bill	5.00	5.00	29-year interbank	5 1/4%
31-year Treasury bill	5.00	5.00	30-year interbank	5 1/4%
32-year Treasury bill	5.00	5.00	31-year interbank	5 1/4%
33-year Treasury bill	5.00	5.00	32-year interbank	5 1/4%
34-year Treasury bill	5.00	5.00	33-year interbank	5 1/4%
35-year Treasury bill	5.00	5.00	34-year interbank	5 1/4%
36-year Treasury bill	5.00	5.00	35-year interbank	5 1/4%
37-year Treasury bill	5.00	5.00	36-year interbank	5 1/4%
38-year Treasury bill	5.00	5.00	37-year interbank	5 1/4%
39-year Treasury bill	5.00	5.00	38-year interbank	5 1/4%
40-year Treasury bill	5.00	5.00	39-year interbank	5 1/4%
41-year Treasury bill	5.00	5.00	40-year interbank	5 1/4%
42-year Treasury bill	5.00	5.00	41-year interbank	5 1/4%
43-year Treasury bill	5.00	5.00	42-year interbank	5 1/4%
44-year Treasury bill	5.00	5.00	43-year interbank	5 1/4%
45-year Treasury bill	5.00	5.00	44-year interbank	5 1/4%
46-year Treasury bill	5.00	5.00	45-year interbank	5 1/4%
47-year Treasury bill	5.00	5.00	46-year interbank	5 1/4%
48-year Treasury bill	5.00	5.00	47-year interbank	5 1/4%
49-year Treasury bill	5.00	5.00	48-year interbank	5 1/4%
50-year Treasury bill	5.00	5.00	49-year interbank	5 1/4%
51-year Treasury bill	5.00	5.00	50-year interbank	5 1/4%
52-year Treasury bill	5.00	5.00	51-year interbank	5 1/4%
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54-year Treasury bill	5.00	5.00	53-year interbank	5 1/4%
55-year Treasury bill	5.00	5.00	54-year interbank	5 1/4%
56-year Treasury bill	5.00	5.00	55-year interbank	5 1/4%
57-year Treasury bill	5.00	5.00	56-year interbank	5 1/4%
58-year Treasury bill	5.00	5.00	57-year interbank	5 1/4%
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67-year Treasury bill	5.00	5.00	66-year interbank	5 1/4%
68-year Treasury bill	5.00	5.00	67-year interbank	5 1/4%
69-year Treasury bill	5.00	5.00	68-year interbank	5 1/4%
70-year Treasury bill	5.00	5.00	69-year interbank	5 1/4%
71-year Treasury bill	5.00	5.00	70-year interbank	5 1/4%
72-year Treasury bill	5.00	5.00	71-year interbank	5 1/4%
73-year Treasury bill	5.00	5.00	72-year interbank	5 1/4%
74-year Treasury bill	5.00	5.00	73-year interbank	5 1/4%
75-year Treasury bill	5.00	5.00	74-year interbank	5 1/4%
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77-year Treasury bill	5.00	5.00	76-year interbank	5 1/4%
78-year Treasury bill	5.00	5.00	77-year interbank	5 1/4%
79-year Treasury bill	5.00	5.00	78-year interbank	5 1/4%
80-year Treasury bill	5.00	5.00	79-year interbank	5 1/4%
81-year Treasury bill	5.00	5.00	80-year interbank	5 1/4%
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95-year Treasury bill	5.00	5.00	94-year interbank	5 1/4%
96-year Treasury bill	5.00	5.00	95-year interbank	5 1/4%
97-year Treasury bill	5.00	5.00	96-year interbank	5 1/4%
98-year Treasury bill	5.00	5.00	97-year interbank	5 1/4%
99-year Treasury bill	5.00	5.00	98-year interbank	5 1/4%
100-year Treasury bill	5.00	5.00	99-year interbank	5 1/4%

Source: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Chemical Bank of Japan.

### Gold

	A.M.	P.M.	Crude
Zurich	387.40	387.60	+1.20
New York	387.10	387.10	+0.70
London	392.70	392.90	+0.50
U.S. dollars per ounce, London official			
Settlement Zurich and New York opening			
and closing prices New York Comex			
(D.C.)			
Source: Reuters.			

Source: ING Bank (Amsterdam)  
Source: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Chemical Bank of Japan.

### Forward Rates

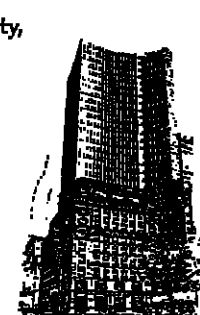
	1.5445	1.5444	1.5443	Japanese yen	107.46	107.05	106.64																																																																																																																																																																																																																																																																																																																																																
Forward Sterling	1.5445	1.5444	1.5443	Swiss franc	1.2050	1.2030	1.1998																																																																																																																																																																																																																																																																																																																																																
Canadian dollar	1.2721	1.2720	1.2719																																																																																																																																																																																																																																																																																																																																																				
Deutsche mark	1.0890	1.0889	1.0888																																																																																																																																																																																																																																																																																																																																																				
Source: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Chemical Bank of Japan. <h3>Other Dollar Values</h3> <table><tr><th>Currency</th><th>Per \$</th><th>Per £</th><th>Per DM</th><th>Per Yen</th><th>Per DM</th><th>Per Yen</th><th>Per DM</th><th>Per Yen</th><th>Per DM</th></tr><tr><td>Argentine peso</td><td>0.0000</td><td>0.0000</td><td>0.0000</td><td>0.0000</td><td>0.0000</td><td>0.0000</td><td>0.0000</td><td>0.0000</td><td>0.0000</td></tr><tr><td>Australian \$</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td></tr><tr><td>Canadian \$</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td></tr><tr><td>French F</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td></tr><tr><td>German M</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td></tr><tr><td>Italian L</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td></tr><tr><td>Japanese Y</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td></tr><tr><td>Swiss S</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td><td>0.6998</td><td>1.2721</td></tr><tr><td>Other Dollar Values</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Currency</td><th>Per \$</th><th>Per £</th><th>Per DM</th><th>Per Yen</th><th>Per DM</th><th>Per Yen</th><th>Per DM</th><th>Per Yen</th><th>Per DM</th></tr><tr><td>Argentine 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\$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Canadian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	French F	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	German M	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Italian L	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Japanese Y	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Swiss S	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Other Dollar Values										Currency	Per \$	Per £	Per DM	Per Yen	Per DM	Per Yen	Per DM	Per Yen	Per DM	Argentine peso	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	Australian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Canadian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	French F	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	German M	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Italian L	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Japanese Y	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Swiss S	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Other Dollar Values										Currency	Per \$	Per £	Per DM	Per Yen	Per DM	Per Yen	Per DM	Per Yen	Per DM	Argentine peso	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	Australian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Canadian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	French F	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	German M	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Italian L	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Japanese Y	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Swiss S	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Other Dollar Values										Currency	Per \$	Per £	Per DM	Per Yen	Per DM	Per Yen	Per DM	Per Yen	Per DM	Argentine peso	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	Australian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	Canadian \$	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	0.6998	1.2721	French F	1.2721	0
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Headquarters of Republic National Bank of New York (United S.A. in Canada)

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NYSE

Tuesday's 4 p.m. Close  
Nasdaq prices, not reflecting late trades elsewhere.  
The Associated Press.

Symbol	Price	Change
IBM	100.00	+0.25
Microsoft	55.00	+0.50
Apple	45.00	+0.25
Oracle	35.00	+0.50
Sun	25.00	+0.25
HP	15.00	+0.25
Intel	10.00	+0.25
Motorola	5.00	+0.25
AT&T	4.00	+0.25
Verizon	3.00	+0.25
WorldCom	2.00	+0.25
Sprint	1.00	+0.25
Qwest	0.50	+0.25
Level 3	0.25	+0.25
Southwest	0.10	+0.25
Delta	0.05	+0.25
American	0.02	+0.25
United	0.01	+0.25
Continental	0.00	+0.25
Allegiant	0.00	+0.25
JetBlue	0.00	+0.25
Spirit	0.00	+0.25
Frontier	0.00	+0.25
Southwest	0.00	+0.25
Delta	0.00	+0.25
American	0.00	+0.25
United	0.00	+0.25
Continental	0.00	+0.25
Allegiant	0.00	+0.25
JetBlue	0.00	+0.25
Spirit	0.00	+0.25
Frontier	0.00	+0.25

Symbol	Price	Change
Amazon	10.00	+0.25
Netflix	5.00	+0.25
Spotify	2.00	+0.25
Twitter	1.00	+0.25
Facebook	0.50	+0.25
LinkedIn	0.25	+0.25
Slack	0.10	+0.25
Zoom	0.05	+0.25
Dropbox	0.02	+0.25
OneDrive	0.01	+0.25
Google	0.00	+0.25
Microsoft	0.00	+0.25
Apple	0.00	+0.25
Oracle	0.00	+0.25
Sun	0.00	+0.25
HP	0.00	+0.25
Intel	0.00	+0.25
Motorola	0.00	+0.25
AT&T	0.00	+0.25
Verizon	0.00	+0.25
WorldCom	0.00	+0.25
Sprint	0.00	+0.25
Qwest	0.00	+0.25
Level 3	0.00	+0.25
Southwest	0.00	+0.25
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American	0.00	+0.25
United	0.00	+0.25
Continental	0.00	+0.25
Allegiant	0.00	+0.25
JetBlue	0.00	+0.25
Spirit	0.00	+0.25
Frontier	0.00	+0.25

Symbol	Price	Change
Alphabet	10.00	+0.25
Meta	5.00	+0.25
Google	2.00	+0.25
Twitter	1.00	+0.25
Facebook	0.50	+0.25
LinkedIn	0.25	+0.25
Slack	0.10	+0.25
Zoom	0.05	+0.25
Dropbox	0.02	+0.25
OneDrive	0.01	+0.25
Google	0.00	+0.25
Microsoft	0.00	+0.25
Apple	0.00	+0.25
Oracle	0.00	+0.25
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Google	2.00	+0.25
Twitter	1.00	+0.25
Facebook	0.50	+0.25
LinkedIn	0.25	+0.25
Slack	0.10	+0.25
Zoom	0.05	+0.25
Dropbox	0.02	+0.25
OneDrive	0.01	+0.25
Google	0.00	+0.25
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Oracle	0.00	+0.25
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Slack	0.10	+0.25
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OneDrive	0.01	+0.25
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Microsoft	0.00	+0.25
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Southwest	0.00	+0.25
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ASIA/PACIFIC

# China Sets Rules for Direct Taiwan Shipping Links

**Bloomberg Business News**  
BEIJING — China issued regulations Tuesday to pave the way for the first direct shipping links with Taiwan since the Communists' victory sent Chinese Nationalist forces fleeing to the island in 1949.

Direct links would facilitate trade across the Taiwan Straits by reducing the need for cargo ships to visit a third port rather than sail from Taiwan to China. Hong Kong, which stands to lose some lucrative business, has been the most commonly used intermediary in this trade.

"It's very positive," said David Chio, shipping industry analyst at HG Asia Ltd. "Taiwan has been waiting for a response for a year, and this is it."

Initial reaction from Taiwan officials was cautious, with Mainland Affairs Council Director Chang King-yuh saying the island republic would pursue its own plans for establishing links with the mainland.

China's Ministry of Communications issued a 15-point set of regulations outlining registration pro-

cedures for Taiwan and Chinese companies wishing to conduct direct trade. The rules, which took effect Tuesday, were published in full by the Xinhua News Agency.

All applications by Chinese and Taiwan joint-venture or wholly owned shipping companies will be processed within 45 days of submission, the regulations said. Foreign companies that want to ship cargo or passengers between Taiwan and the mainland will require special approval from the ministry.

Taiwan is already preparing the southern port of Kaohsiung for direct links and processing applications by local shipping companies.

Both governments have said they will only sanction direct links on their own terms, suggesting the need for talks to iron out differences.

"This is just smoke; there's still many technical details to be worked out," said Dan Helberg, a shipping analyst at SBC Warburg.

Still, with both China and Taiwan now preparing for direct shipping links, Hong Kong's days as a hu-

crative entrepot between the two are numbered. In 1995, one-eighth of Hong Kong's container traffic was traveling between Taiwan and China. Hong Kong is the world's biggest container port in terms of throughput.

"We estimate that 90 percent of China-Taiwan trade currently coming through Hong Kong would be diverted within two years of direct links taking effect," said Roger Parry, deputy secretary of Hong Kong's port development board.

Taiwan shipping companies such as Evergreen Marine Corp., one of the world's biggest container shippers, will profit from direct links.

"It will definitely save on shipping costs," said Tim Groaton, who manages Chinese and Taiwan equities valued at \$110 million at Credit Lyonnais International Asset Management Ltd.

"They're all going to benefit; we're expecting a big rally in shipping stocks," Mr. Chio said. "I think one reason that this has taken so long is that the Chinese were

thinking why should they give up this business. China is looking after its own interests, and Hong Kong is part of its own interests now."

Hong Kong reverts to Chinese sovereignty next July 1.

Xinhua said the regulations were designed to "accelerate the development of direct mail service, trade and air and shipping links."

Officials at the Ministry of Communications, which oversees shipping, and at China Ocean Shipping Co., China's biggest international shipping company, declined to comment.

Trade between China and Taiwan declined 0.9 percent in the first five months of the year to \$8.62 billion, according to Taiwan's Economics Ministry.

Taiwan's president, Lee Teng-hui, last week unexpectedly called for limits on Taiwan investments on the mainland. His comments triggered a slump in Taiwan stocks.

"It's unclear what Taiwan's stance on investment really is right now," Mr. Groaton said. "You may see them opening up on direct trade

but keeping closer controls on investment."

Mr. Lee's comments, made Aug. 13 to the National Assembly, were interpreted by many economists as an effort to increase business spending at home. Some said Mr. Lee was talking tough with Beijing to strengthen his hand before holding talks with China's leadership. The Taiwan government must approve all investment in China, which views the island as a rebel province.

**Central Bank Denies Report**

Taiwan's central bank denied a newspaper report that Mr. Lee had urged the bank to study how to control capital outflows to China, Reuters reported from Taipei.

The Economic Daily News said Mr. Lee had raised the issue Monday in a meeting with the central bank governor, Sheu Yuan-dong, and pressed the central bank to find ways to better manage Taiwan banks' investments in China, apparently to further limit the island's economic exposure to Beijing.

Investor's Asia			
Hong Kong	Singapore	Taipei	
Hang Seng	Straits Times	Nikkei 225	
12500	2500	23000	
12000	2400	22000	
11500	2300	21000	
11000	2200	20000	
10500	2100	19000	
10000	2000	18000	
1996	1996	1996	
Exchange Index	Index	Index	
1996	1996	1996	
Change	Change	Change	
11,812.50	2,123.50	21,105.01	+0.88
Singapore	Straits Times		
2,123.50	2,105.00		+0.88
Sydney	ASX Ordinance		
2,264.70	2,267.50		+0.14
Taipei	Nikkei 225		
21,127.01	21,105.01		+0.10
Kuala Lumpur	Composite		
1,705.00	1,703.90		+0.10
Bangkok	SET		
1,071.41	1,067.48		+0.37
Seoul	Composite Index		
763.91	800.52		+0.83
Taipei	Stock Market Index		
8,857.44	8,047.51		+0.48
Manila	PSE		
3,090.00	3,092.67		+0.08
Jakarta	Composite Index		
533.61	537.08		+0.67
Wellington	NZSE 40		
2,167.79	2,167.25		+0.02
Bombay	Sensitive Index		
3,315.38	3,284.37		+0.94

Source: Reuters International Herald Tribune

## Budget Trips Up Australian Markets

Traders, Looking for Bigger Spending Cuts, Decide Rates Won't Fall

**SYDNEY** — Bond prices and the dollar fell Tuesday as traders expressed disappointment at the spending cuts outlined by Treasurer Peter Costello for the current year.

Economic data, meanwhile, showed that the economy grew more rapidly than had been expected in the first and second quarters of the year, putting a damper on hopes for an early cut in interest rates and contributing to the markets' fall. Lower interest rates tend to help bond prices rise.

Mr. Costello forecast growth of 3.5 percent for the year ending June 30, 1997.

Chris Bell, treasury director at Dresdner Financial Markets (Australia) Ltd., said, "Markets were expecting the budget to be balanced in two years in absolute terms; now the government mentions 1999, making it more like three years."

Mr. Costello said the government would reduce net spending by 2.9 billion Australian dollars (\$2.29 billion) in the year ending next June 30 and by 5.2 billion dollars in the following year. Analysts had expected more cuts in the current year.

The cuts, most of which have

already been announced, affect nearly all government departments and target everyone from wealthy tax-evaders to students and aboriginal groups.

There was also some disappointment that the projected underlying budget deficit for 1996-97 was on the high side of expectations, at 5.6 billion dollars. "People were looking at about 4.5 billion dollars," said Andrew Wardle, a bond trader at Societe Generale.

Traders said bonds had rallied in recent days in anticipation of the announcements and amid growing anticipation that the budget would pave the way for a cut in interest rates.

"I think the budget does nothing to advance the case for an imminent rate cut, particularly if they are saying we are going to have 3.5 percent growth," said John Edwards, chief economist at Societe Generale.

The Reserve Bank of Australia, the nation's central bank, cut its official benchmark interest rate half a percentage point, to 7 percent, on July 31, the first change in the rate since December 1994. Mr. Costello said he would like an interest-rate cut by the end of the calendar year.

"I'd like that to be an outcome, and I am going to do the best to make sure we

are going to get it," he said on Australian television.

He said that if the budget were passed by the Senate, that would set up an interest-rate cut.

The government also said Tuesday that the Australian economy slowed to a crawl in the three months ended June 30, though analysts said that was probably not enough to prompt the central bank to cut interest rates before the end of the year.

"I couldn't really take it from the numbers that there's going to be another easing," in credit, said Ashley Perrott, a bond-fund manager with BZW Investment Management.

The government said gross domestic product grew by just 0.1 percent in the period, compared with a revised 2.0 percent rate in the previous quarter.

The annual growth rate was 4.5 percent in the year to June 30.

The price of the active three-year bond futures contract fell to 92.76, for an implied yield of 7.24 percent, from 92.86, for an implied yield of 7.14 percent.

The Australian dollar dropped to 78.65 U.S. cents from 79.17 cents on Monday.

(Bloomberg, Reuters, KRF/Global)

### Very briefly:

- Dongsung Construction Co. of South Korea and four other companies agreed in principle to take over the collapsed Kun Young Construction Corp. and assume all its debts.
- Acer Computer International Ltd.'s first-half profit rose 12 percent, to 14.9 million Singapore dollars (\$10.6 million), as strong Asian demand for personal computers helped sales rise 27 percent, to 511 million dollars.
- Singapore expects to sell about 1 billion shares in Singapore Telecommunications Ltd. when it offers them to citizens at 2.50 dollars each; the special offer expires Sept. 13.

- Chase Manhattan Bank named Antony Leung Kam Chung as regional manager for greater China and the Philippines; he succeeds Richard Mounce, who has been named Asia business manager.
- Malayan Banking Bhd.'s pretax profit rose 22 percent, to 1.80 billion ringgit (\$721.7 million), in the year ended in June as assets, deposits and loans all posted double-digit growth.
- India's demand for petroleum products is expected to rise 10 percent, to 81 million metric tons in the current financial year, Indian Oil Corp. said. *AFP, Bloomberg, KRF/Global, Reuters*

## Ex-Tycoon Bond Gets 3 Years for Art Fraud

**PERTH, Australia** — Alan Bond, the entrepreneur and former national hero, was jailed for three years Tuesday for fraud involving the French Impressionist painting "La Promenade."

In sentencing Mr. Bond, Judge Antoinette Kennedy said the jail term was not the maximum 14-year sentence, but she said it would be like a "life sentence" because it would haunt him forever. Mr. Bond, 58, lauded as Australian of the Year after winning the America's Cup yacht race in 1983, will appeal the conviction, his lawyers said.

Mr. Bond was found guilty Friday on four fraud charges surrounding the sale of Edouard Manet's painting.

The jury found that Mr. Bond had improperly used his position as director of his former corporate flagship, Bond Corp. Holdings, to allow his private company to buy "La Promenade" for about 10 million Australian dollars (\$7.9 million) below its market value in 1983.

Mr. Bond faces further charges associated with the collapse of his corporate empire in the early 1990s.

### CITIPORTFOLIOS

16, avenue Marie-Thérèse, L-2132 Luxembourg

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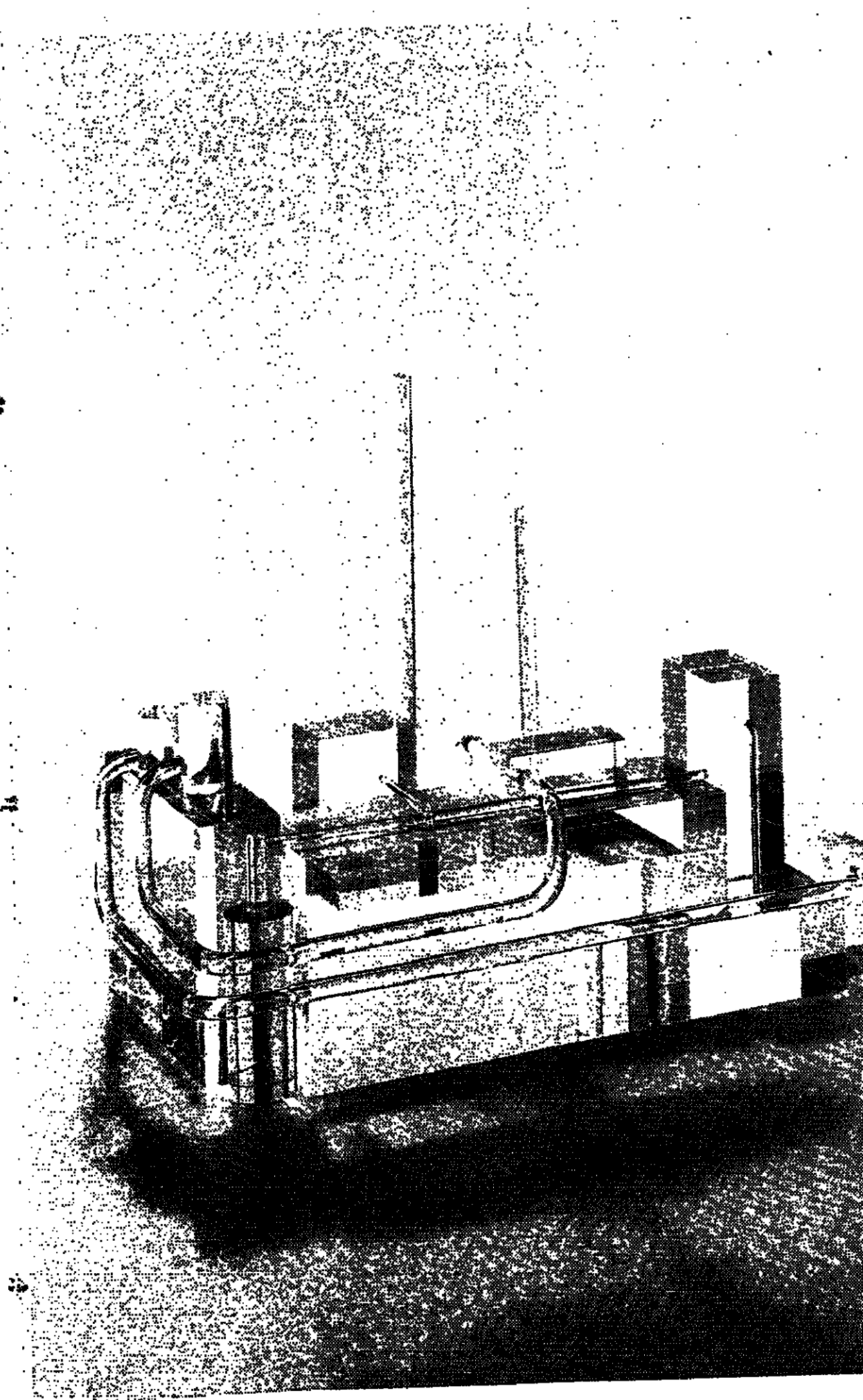
Article 4 B), Article 6, Article 9 (previously Article 10), Article 10 (previously Article 19) and Article 12 (previously Article 11) of the Management Regulations will be amended in order to:

- allow the fund to enter into securities lending transactions;
- change the limit for subscription, redemption and conversion applications to be accepted, from 8 a.m. to midnight;
- insert an additional charge borne by the Fund corresponding to directors' fees and expenses.

The decisions concerning securities lending transactions and directors' fees and expenses will come into effect one month after publication of the present notice. Until the end of this period, unitholders may redeem their units free of charge.

A revised Sales Prospectus dated August 1996 will reflect these changes.

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Degussa



The 1,000 most-traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

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**Tuesday's 4 p.m. Close**  
(Continued)

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Dollars; **Ecu** - European Currency Unit; **Ff** -  
French Francs; **Fmk** - Finnish Markka; **L** - Dutch  
Guilder; **IDR** - Indonesian Rupiah; **Li** - Italian Lire;  
**Lf** - Luxembourg Francs; **p-pence**; **Nyir** -  
Malaysian Ringgit; **P** - Pounds; **G** - Swiss  
Francs; **Sfr** - Swiss Francs; **Skr** - Swedish  
Kronor; **TB** - Thai Baht; **Y** - Yen.

\* - added \* - Offer Prices; **N.A.** - Not Available;  
**N.C.** - Not Communicated; **N** - New; **S** -  
Suspended; **S/S** - Short Sell; **X** - Ex-Dividend;  
**Ex-Fix** - Off Offer Price Inc. 3% Point charge;  
**Parls** exchange; **+/-** Amsterdam exchange; **e**-  
disposition earlier; **post** registered with  
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price; **E** - estimated price; **H** - Half; **rounded** 2  
prices; **ref'd** in publications; **V** - Vol ratio;

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SPORTS

# Yanks' New Look Dazzles Mariners

## Pettitte Notches 18th Victory to Lead AL Pitchers

By Jack Curry  
New York Times Service

Joe Torre wants the Yankees to be aggressive and have fun, so he revamped the lineup Monday night, re-clined in the dugout and anticipated another frenetic game with the Seattle Mariners. The manager did not tamper with his rotation because Andy Pettitte was pitching. Smart.

The contest was frenetic, but there was one significant difference as the

### BASBALL ROUNDUP

Yankees finally squashed Seattle, 10-4. The Yankees looked as if they were destined for another lousy night at Yankee Stadium when those robust Mariners surged to a 3-0 lead in the first inning. Then Pettitte and Torre's new-look nine snatched control and the Mariners looked mortal.

What motivated the Yankees was the new lineup, which produced homers from Tino Martinez, Cecil Fielder and Bernie Williams, as well as Pettitte's penchant for winning after a Yankee loss. There was also the frustration of having lost three straight to the Mariners and not wanting to be swept by them at Yankee Stadium for the first time.

But perhaps the most important element of the night for the Yankees was the long-lost feeling of notching a victory. The Yankees had dropped seven of their preceding nine games, but Monday night they added to their edge over the idle Baltimore Orioles for the first time in

nine days. Their edge inched from five-and-a-half to six games, but it still meant something to this struggling team.

"That was a good team effort," Pettitte said after the Yankees avoided their first four-game losing streak of the season. We needed that win.

Pettitte overcame a three-run homer by Jay Buhner in the first inning when he was trying to throw too hard. The left-hander surrendered only Alex Rodriguez's homer over the next eight innings in allowing the Yankees to pound back into the game.

Pettitte, the American League's first 18-game winner, retired 24 of the last 28 batters he opposed, gave the weary bullpen a rest and improved to 11-2 in games after the Yankees have tumbled.

In other American League games, The Associated Press reported:

Red Sox 10, Angels 9 Reggie Jefferson hit a bases-empty homer and Troy O'Leary had a two-run single in Boston's three-run sixth as the Red Sox came back to beat California.

The teams combined for 31 hits and stranded 24 runners in a game that lasted three hours, 58 minutes.

O'Leary drove in three runs and Mike Stanley and Jefferson each had two runs batted in.

White Sox 12, Tigers 7 Ozzie Guillen and Danny Tarabull hit three-run homers in the ninth inning as Chicago sent Detroit to its eighth straight loss.

Pinch-hitter Curtis Fiedt put Detroit ahead, 7-5, with a three-run homer in the sixth, but Jose Lima (3-6) couldn't hold the lead and the Tigers stretched a losing

streak to eight for the third time this season.

Rangers 10, Indians 3 Roger Pavlik pitched a four-hitter, Juan Gonzalez drove in four runs and Texas broke an AL record with its 15th consecutive errorless game. The major-league record is 16 straight games without an error set by the 1992 St. Louis Cardinals.

Pavlik (14-6) allowed four walks with two strikeouts in his seventh complete game of the year, tying Pat Hentgen of Toronto for the major-league lead.

Brewers 6, Twins 1 Marc Newfield hit a three-run homer in the sixth inning and Milwaukee turned a pair of errors into four unearned runs to beat Minnesota.

Jeff D'Amico (4-5) won for the first time in five starts since July 21.

D'Amico gave up one run and four hits in seven innings.

Blue Jays 2, Royals 1 Joe Carter tripled in the ninth inning and scored on Charlie O'Brien's sacrifice fly, giving Toronto the victory.

Rookie Jose Rosado (4-3), who had won four of his previous five starts, struck out three and walked one, lowering his ERA to 1.75 over his last six starts.

In National League games:

Rockies 6, Reds 3 Larry Walker and Walt Weiss homered as Colorado ended another poor road trip with a victory over Cincinnati.

Colorado lost seven of its last nine games to finish 4-7 on the trip.

The Rockies were tied for second in the NL West, just one game out of first, when the trip began Aug. 9, but they return home to Coors Field solidly in



Andy Pettitte, who retired 24 of the last 28 batters he faced in helping the Yankees avoid a sweep by the Mariners.

third, only one game over .500 (63-62).

Mariners 4, Cubs 3 Kevin Brown lowered his major league-leading ERA to 1.90 and got his 100th career victory. Brown (12-10) gave up four hits in seven innings, struck out eight and walked none, leaving with a 4-0 lead.

Tyler Houston hit an RBI double in the eighth off Jay Powell and Sammy Sosa hit his 40th homer.

Astros 2, Pirates 1 Ramon Morel walked Sean Berry with the bases

loaded in the 13th inning, sending Pittsburgh to its fourth straight loss.

Alvin Morman (2-1) pitched the 13th for Houston, which stranded a team-record 20 runners.

Padres 7, Expos 3 Scott Sanders pitched 6 2/3 innings of no-hit ball and Ken Caminiti had a grand slam and six RBIs.

Darwin Fletcher broke up the no-hitter when he lined a 2-2 pitch to right for a single with two outs in the seventh.

Caminiti hit his 27th homer off Pedro Martinez (10-8), who allowed six runs and eight hits.

Giants 5, Mets 4 Barry Bonds hit a first-inning homer for the third consecutive game and Tom Lampkin hit a go-ahead single off Pete Harnisch (8-9) in the seventh inning. Bonds, who had nine homers in his last 21 games, got his 35th of the season.

Bernard Gilkey went 4-for-4 for the Mets with three doubles and two RBIs.

# Miami Wins in Mud Bath

## Moon, With 4 Fumbles, Doesn't Shine for Vikings

The Associated Press

MIAMI — A mean Florida cloud-burst opened up over Joe Robbie Stadium just prior to the start of the game, turning the sometime baseball field into a huge mud puddle — into which the Miami Dolphins shoved the Minnesota Vikings, 24-17.

"It was just hard hanging on to the ball," said the Vikings' quarterback, Warren Moon, who had four fumbles in the preseason game Monday night. "I've never felt mud like that, kind of creamy," he said.

One of Moon's fumbles was picked up by Trace Armstrong, who ran six yards into the end zone for the first touchdown of his seven-year career in the National Football League.

"It was a neat feeling finally getting into the end zone," Armstrong said. "If it was the regular season, I might have done a little dance or something."

Armstrong's touchdown came with 3:29 left in the first half and gave the Dolphins a 7-3 lead that they never relinquished. He picked up the ball after Moon lost his grip attempting a pass.

"I think we made some progress, particularly the defense," Miami's coach, Jimmy Johnson, said. "They did a nice job of rushing the passer."

On Tuesday, both teams had to face trimming their squads to 60 players.

The drenching rain stifled both starting offenses. While the ball repeatedly slipped from Moon's hands, the Dolphins turned the ball over three times in the first half. Miami couldn't muster a first down until 9:19 left in the second quarter.

Minnesota penetrated Miami's 20 yard line four times in the first half but came away with only three points. The Dolphins stopped two drives on fourth-and-one and blocked a field goal.

"We missed on scoring opportunities," Minnesota's coach, Dennis Green, said.

Johnson stuck with quarterback Dan Marino in the third quarter on the treacherous field. And again, it was the Dolphins' defense that struck.

Cornerback Terrell Buckley picked up another Minnesota fumble and ran it back 51 yards. Marino then connected on a 26-yard pass to Charles Jordan to put the Dolphins up 17-3 with 5:15 left in the third quarter. Marino completed nine of 17 passes for 111 yards.

But it was the second teams that provided the offensive thrills.

Lamar Thomas scored for Miami on a 71-yard touchdown pass from Bernie Kosar, and the Vikings' backup quarterback, Brad Johnson, threw for two touchdowns. Thomas starred at the University of Miami.

"It was like a dream come true," said Thomas, who was released from Tampa Bay this summer. "The touchdown was nice, but that is what I'm supposed to do."

Dolphins running back Irving Spikes had 36 yards on eight carries, while rookie Karim Abdul-Jabbar rushed for 26 yards on 11 chances.

Minnesota's running game got a boost from Robert Smith, who ended his holdout by signing last week. Smith rushed for 42 yards on 10 carries.

Moon threw for 134 yards, connecting



The Vikings' Fernando Smith (95) recovering a fumble by Dan Marino.

with Chris Carter six times for 76 yards. Johnson replaced Moon in the second half and completed 13 of 19 passes for 189 yards. He converted a fumble recovery into a 32-yard touchdown strike to Qadry Ismail one play later to cut the Dolphins' lead to 17-10 with 10:11 to play. Johnson threw his second touchdown pass with 1:35 to go, a 28-yard toss to Chris Walsh.

### Detroit to Build New Dome

The Detroit Lions will move to a new domed stadium in downtown Detroit, city and team officials said Monday,

The Associated Press reported. The decision to move to the proposed 70,000-seat stadium came after contentious efforts to renegotiate the NFL team's current lease on the 80,000-seat Pontiac Silverdome north of Detroit.

"When other pro football franchises are picking up stakes and breaking bonds, the Detroit Lions are coming home and reaffirming ties to our community," said Mayor Dennis Archer during a news conference near the site of the planned complex. Officials said baseball's Detroit Tigers and the Lions would play in side-by-side stadiums.

# Coolly, Woods Begins Defense

By Larry Dorman  
New York Times Service

CORNELIUS, Oregon — Tiger Woods began his defense of the U.S. Amateur title with a smooth 69, a 2-under-par round that was almost as lucid as the day that framed it here in the Willamette Valley.

If he was feeling any pressure at all in his quest to become the first man in history to win three consecutive U.S. Amateur titles, it was not evident.

With a gallery of about 1,000 traipsing after him Monday down the fairways of the Ghost Creek course at Pumpkin Ridge, Woods, 20, coolly birdied three of the four par-5 holes in the first day of stroke-play qualifying.

"Over all, it's a perfect start," said Woods, whose total was one stroke behind Trip Kuehne, who shot 68 on the Ghost Creek course and Bo Van Pelt, son of the former New York Giants' linebacker Brad Van Pelt, whose 68 came on the more difficult, par-72 Witch Hollow track.

"When you shoot a couple under in qualifying to start off, you don't have to come out tomorrow and shoot under par again. It relaxes you a little bit." The low 64 scores from the field of 312 move into match play, which will be contested over the 6,975-yard Witch Hollow course.

Woods opened with a 68 last year, had a bad second round of 75, but still cruised into match play.

Woods began his day Monday with a 2-putt birdie on the 492-yard, par-5 10th hole, sustained a 3-putt bogey at the 13th, came right back with a 15-footer for birdie at the 15th.

Nerveless would probably be a good description as any of the way Woods

began his title defense, and nowhere was it more evident than at the 562-yard, par-5 eighth hole, his 17th. He drove his ball perfectly, 320 yards down the middle, but his 2-iron shot hooked left of the green into a nasty spot on a down slope.

With very little green to work with, Woods opened the face of his 60-degree wedge and played a megaflop, throwing the ball high in the air and landing it softly on the green. He missed the 7-footer for birdie, but the point was made.

Woods has his game in order. If someone is going to stand between him and history, they will need to bring plenty of game with them.



Tiger Woods, who shot a 2-under-par 69 in U.S. Amateur qualifying.

### DENNIS THE MENACE



**JUMBLE**  
THAT SCRAMBLED WORD GAME  
by Philip Arnold and Mike Kaplan

MUGAT  
DYSAN  
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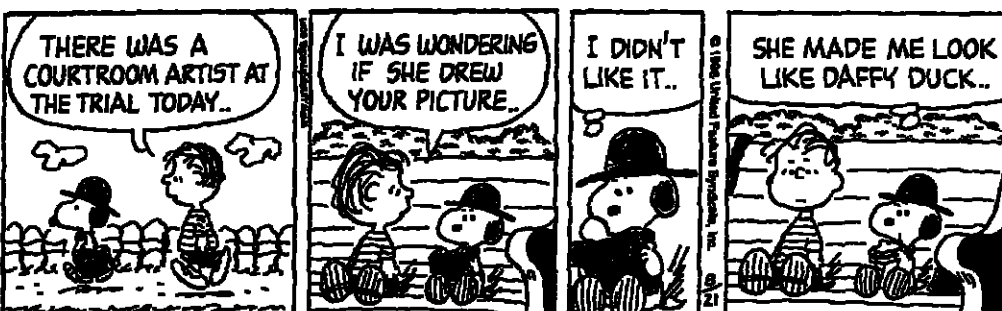
When the shortest player won the game he was...

Answer: (phonetic) JUMBLE

Justine RUBY HARM STODDY LADINO  
The shortest did not win to him up for his bid — "LIGHT" READING

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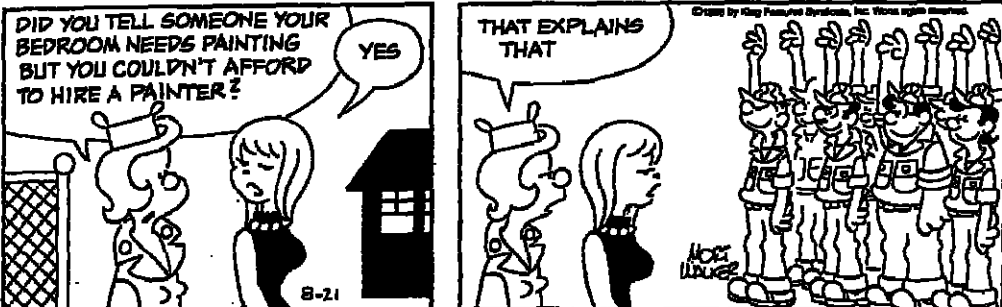
### PEANUTS



### GARFIELD



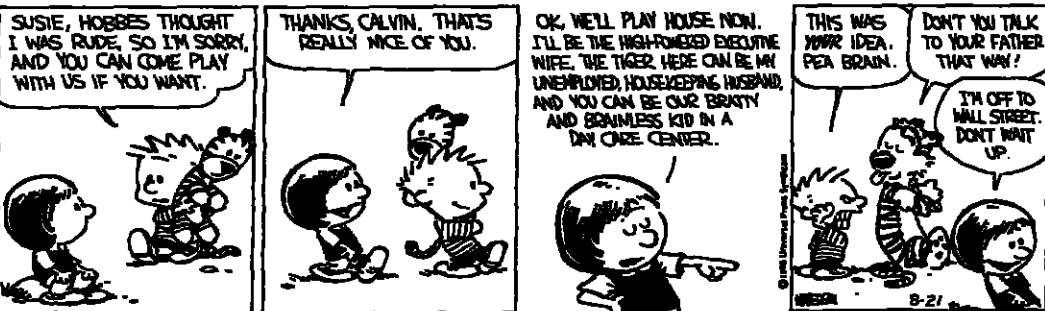
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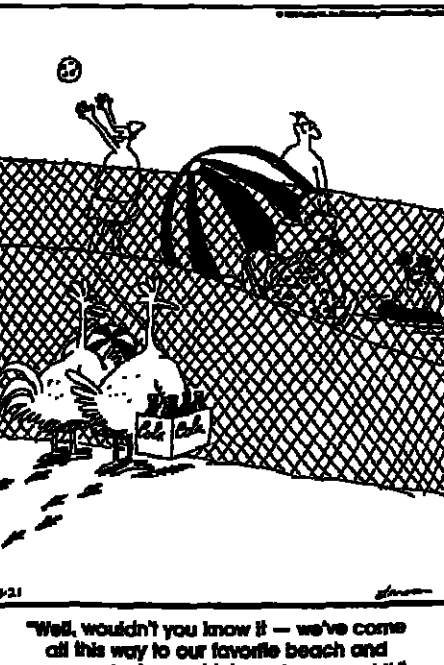
### CALVIN AND HOBBS



### WIZARD of ID



### THE FAR SIDE



### DOONESBURY





